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# Herald INTERNATIONAL Tribune

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Algeria... 4.00 Da. Iran... 115 Rub. Oman... 0.900 Rob.  
Australia... 22 S. Israel... 45.250 Portugal... 175 Esc.  
Belgium... 0.750 Din. Italy... 1.900 Lire. Qatar... 4.500 Bah.  
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Czechoslovakia... 1.150 Kor. S. Korea... 100 Won.  
Cyprus... 0.100 Lira. Spain... 166 Ptas.  
Denmark... 10.000 D.Kr. Libya... 1.000 D. Din. Sweden... 4.000 S.Kr.  
Egypt... 0.250 P.L.E. Luxembourg... 200 F. Switzerland... 2.200 S.F.  
France... 100 F. Netherlands... 2.000 G. The Netherlands... 0.700 D.  
Germany... 3.00 M. Norway... 100 N.Kr. Turkey... 1.100 L.  
Greece... 200 Dr. New Zealand... 1.000 N.Z. Dollar  
Great Britain... 0.40 U.S. Dollar  
Ireland... 0.70 P.  
Japan... 110 Y.  
Nigeria... 120 N.  
Poland... 20 Z.  
Portugal... 200 Esc.  
South Africa... 1.000 R.  
Tanzania... 1.000 Sh.  
USSR... 150 Rub.  
Yugoslavia... 100 D.

No. 32,544 42/87

PARIS, TUESDAY, OCTOBER 13, 1987

ESTABLISHED 1887

## Indian Paratroops In House-to-House Battle With Tamils

By Barbara Crosette  
New York Times Service  
COLOMBO, Sri Lanka — India dropped airborne commandos, backed by tanks and heavy artillery, into the northern Sri Lankan city of Jaffna on Monday as fighting continued in intense house-to-house battles with Tamil separatist guerrillas, according to an Indian diplomat here.

Eighteen Indians have been killed and 79 wounded since Friday, the Indian High Commission press counselor, Lt. Col. Puri, said Monday.

She said about 6,000 Indian troops and policemen were fighting in Jaffna, the center of Tamil resistance. An additional 5,000 Indian troops have been sent to Eastern Province, she said, and at least a thousand more are elsewhere in northern Sri Lanka.

Sri Lankan army officials said they believe about 1,000 armed Tamil rebels still fighting.

Sri Lankan military officials said the Indians were being ambushed as they moved house-to-house in



Israeli soldiers patrolling Ramallah on Monday after a West Bank woman was shot and killed during a disturbance.

## Israelis Kill Bystander in West Bank Fray

By Glenn Frankel  
Washington Post Service  
JERUSALEM — A Palestinian mother of eight was killed Monday when Israeli soldiers opened fire on a mob in the West Bank city of Ramallah.

Five other Palestinians were wounded, including a 68-year-old owner of a food stand.

The incident occurred on the sixth straight day of rioting in the Israeli-occupied territories. The trouble began with a shootout between Israeli security forces and Arab gunmen in the Gaza Strip last week.

Israeli military officials acknowledged that the woman was an innocent bystander and said they re-

gretted her death. But they contended that two soldiers and four Israeli policemen were trapped by the crowd and that their lives were endangered when they opened fire.

The incident in Ramallah began Monday morning after several hundred schoolchildren left their classes and began a demonstration in the city's main commercial center to protest Sunday's clash between Israeli security forces and Arab gunmen in the Gaza Strip last week.

The students set up roadblocks, chanted Palestinian slogans and began throwing rocks at cars with Israeli license plates.

According to the army's account, one car's windshield was shattered and a woman passenger was slightly injured. A police vehicle that came to the car's aid was pelted with rocks, as was an army vehicle with two soldiers.

The Israelis were surrounded by the students, who refused to disperse when warnings were shouted, according to the military account. They then aimed at the legs of the demonstrators and, according to an Israeli Army source, opened fire with single shots from Uzi submachine guns.

Witnesses at the scene told reporters they had heard rapid-fire shooting.

The dead woman was identified as Amayat Samir Hindi, 35, a teacher, who was shot in the chest. Israeli military officials said a preliminary investigation indicated that she was not involved in the disturbance.

Hospital staff members said her husband had told them she had been on her way to buy bread when she saw the demonstrators and decided to take some of her children out of school and back home, away from the disturbances. She was shot on the way.

The area's army commander, who under military rules cannot be identified, told Israeli Army radio that he regretted the woman's death, "but you have to realize that

## U.S. Gulf Fleet Is Said to Seek Expanded Role Against Iranians

By Patrick E. Tyler  
Washington Post Service  
DUBAI, United Arab Emirates — The U.S. military command in the Gulf is seeking approval from Washington to attack any Iranian gunboat that fires on merchant vessels calling for assistance, regardless of their national flag, according to Western sources.

The request for greater military latitude to strike Iranian forces originated, the sources said, with Rear Admiral Harold J. Benson, commander of the Middle East Force, which is responsible for protecting U.S.-flag ships in the waterway.

The sources said the administration of President Ronald Reagan was considering a broader role for U.S. forces in the Gulf, allowing them to confront Iranian gunboats directly when they are detected stalking civilian oil tankers.

"The Iranians are beginning to figure out that we will not come to the aid of a non-U.S. flag ship," a U.S. official in the region said.

"We also are beginning to get ships that are tagging on to our convoys, and the question comes up: What do we do if they attack some ship that is in train with us?" the official asked. "That's not answered, so the navy needs some guidance in this area, and they're looking at it."

Permitting U.S. forces to confront Iranian gunboats would effectively strip away the last vestige of U.S. neutrality in the Iran-Iraq war and put U.S. forces on a virtual war footing with Iran.

U.S. helicopters fired on three Iranian gunboats last week, but only after the Iranians fired machine guns in their direction, according to the Pentagon. A Western military analyst pointed out that without this provocation, U.S.

## Klosk

### Floridians Flee From Hurricane

MIAMI (AP) — An approaching hurricane brought powerful thunderstorms to southern Florida on Monday as prompting some residents and tourists to flee inland and others to stock up on staples.

The storm, designated Floyd, cut power lines along the southern coast, and schools were closed in many areas. It was upgraded from a tropical storm to a minimal hurricane when its winds reached 75 mph (120 kph).

Some roads were flooded, and there were long lines at gas stations and on highways as people headed inland. Grocery shelves were stripped of batteries, bread and other supplies.

## U.S. Conservatives Fret Over Success

By E.J. Dionne Jr.  
New York Times Service  
WASHINGTON — The American conservative movement, which by many measures is more powerful than it has ever been, is going through a season of frustration, division and discontent.

At a time when many conservative ideas have come to be accepted in mainstream American thought, conservatives find themselves on the political defensive on many fronts, near despair over Judge Robert H. Bork's imperiled Supreme Court nomination and deeply divided over who should carry the standard of the coalition that Ronald Reagan helped build.

At the same time, that coalition is straining under the weight of the contradictions inherent in any broad-based political alliance. Many fault lines are visible: the religious conservatives against free-spirited libertarians, supply-siders against



Minnesota Reaches World Series  
Tom Brunansky of Minnesota hit a double Monday, driving in two runs in the Twins' 9-5 victory over the Detroit Tigers. The triumph gave Minnesota the American League baseball pennant for the first time in 22 years. In the National League, San Francisco leads St. Louis, 3 games to 2, going into Tuesday's game in St. Louis. The World Series begins Oct. 17 in Minneapolis. Page 23.

## Glasnost Perplexes Satellites

Gorbachev's Leniency Stirs Both Hope and Uncertainty

By Gary Lee  
Washington Post Service  
MOSCOW — Mikhail S. Gorbachev's calls for increased freedom of expression and economic reconstruction have provoked important shifts in the relationship between the Soviet Union and the countries of Eastern Europe.

Where Moscow was once the dominant force of conservatism, stamping out grass-roots activism in Hungary and Czechoslovakia, it is now regarded as an active crusader for change in the Communist world.

Moreover, the Kremlin's new leniency has sparked a debate about how far to take the new-found free-

## Crime Seems to Pay at JFK

Targets, Methods Shift as Airport Thefts Increase

By Elizabeth Neuffer  
New York Times Service  
NEW YORK — With near-record numbers of travelers expected at Kennedy International Airport this year, the authorities there are reporting sharp increases in pickpocketing, luggage theft and other property crimes.

And even as organized crime continues to hold sway over the airport's cargo industry, law-enforcement officials say, its methods and targets are shifting. While truck hijackings and cargo thefts — with the \$5.8 million Lufthansa theft in 1978 the biggest — have declined in recent years, the Mafia has broadened its control over the air-freight industry through extortion in return for labor peace, and, in some cases, by infiltrating the companies.

All of this represents the changing surface of the airport subculture, in which the schemes and scams and players change but the essential fact of crime remains.

The wealth and sprawl of the airport constitute a natural medium for crime. It is a world populated by Mafia wise guys and small-time hustlers with such nicknames as "Cuban Pete" and "Tony Heart Attack," and where detectives call one parking lot "the cemetery" because so many murder victims have been dumped there.

The swarm of travelers — an estimated 28 million in 1987, with 56 million pieces of luggage — is easy prey for thieves. The airport's location in New York City makes it a major organized-crime target. And the huge amount of cargo — estimated to have a value of \$74 billion last year — is an invitation to narcotics smuggling. From 50 percent to 70 percent of all the heroin seized by the U.S. Customs Service is seized at Kennedy, customs officials say.

"At any given moment, you could have a smuggling attempt, drugs, a cargo theft, a car theft, a purse snatching," said Arthur R. Stiffel, the top Customs Service agent at the airport.

Violent crime at Kennedy "is almost nil," said Captain Frank V. Fox, chief of police operations at the airport. Kennedy, he added, "is a very safe place."

As for organized crime, a series of federal prosecutions has put some New York Mafia chiefs in prison, and the government operates continuing investigations at Kennedy.

But an immediate concern of the police, as well as airline officials, is crime against passengers.

"Overall, I think it's getting worse," said Tad Fujimatsu, a spokesman for Japan Air Lines. "The Japanese tourist is a target because they carry a lot of cash."

A senior passenger service agent for Kuwait Airways, Angad Shehata, agreed. "In the high season — Christmas, summer — we get an average of at least 10 complaints per month about pickpocketing," she said.

Law-enforcement officials offer a variety of reasons for the persistence of crime at Kennedy, and a variety of solutions. The police union, customs officials and others contend that more officers are needed. The police have mounted periodic crack-

## To Our Readers

### IHT to Print in Tokyo

THE International Herald Tribune will begin printing in Tokyo on Nov. 20 in an important expansion of its presence in Asia.

Lee Huebner, the publisher, said in an announcement: "By printing in Japan we can serve readers in Tokyo on the same morning we are printed and can reach the rest of our Japanese readers in the afternoon. This will make the IHT an even more valuable newspaper to a growing number of readers."

The announcement was made at the newspaper's Paris headquarters at a meeting with Moriaki Motono, the Japanese ambassador to France, other Japanese diplomats, and correspondents of the Japanese press.

The new printing site will be the newspaper's third in Asia after Hong Kong and Singapore. Distribution in Japan will be undertaken with the Mainichi newspapers. Sold in 164 countries, the IHT has a paid circulation of more than 170,000 copies daily.

Tokyo will be the 10th printing site for the IHT, which is celebrating this year its 100th anniversary.

## Geneticist Wins Nobel For Medicine

Compiled by Our Staff From Dispatches  
STOCKHOLM — The 1987 Nobel Prize in Medicine was awarded Monday to a Japanese geneticist, Susumu Tonegawa, for his discovery of how the body's immune cells learn to recognize and attack invading organisms.

In its citation, the Nobel Assembly said Mr. Tonegawa had shown in a pioneering set of experiments how the body's immune cells re-shuffle their genetic material to recognize and attack invading organisms that the body has never encountered before.

The assembly said that Mr. Tonegawa, 48, wrote an influential scientific paper in 1976 on "the genetic principal for generation of antibody diversity," and had dominated research in the field for the next two years.

Mr. Tonegawa, a professor at the Massachusetts Institute of Technology, is the first Japanese to win the Nobel Prize in Medicine, which has been awarded since 1901.

Of his work, Mr. Tonegawa said: "I hope the information we got will be useful in developing responses to a number of diseases, including cancer and possibly even AIDS."

"If we understand how the immune system works, that information will be helpful in understanding what went wrong with it," he said at his home in Newton, Massachusetts.

Last month, Mr. Tonegawa was among three molecular biologists to share the Albert Lasker medical research award. In 1986, he received the \$50,000 Bristol-Myers Award for Distinguished Achievement in Cancer Research.

Mr. Tonegawa, born in Nagoya, Japan, is a professor at MIT's Cen-

See NOBEL, Page 2



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# In a Shrinking Field of Democrats, Simon Looms a Little Larger

By Robin Toner  
New York Times Service

WASHINGTON — As the dust clears from a tumultuous month in the race for the Democratic presidential nomination, Senator Paul Simon of Illinois not only is still standing but also, in the eyes of some political professionals, looks a little taller.

In Iowa, politicians say Mr. Simon is poised to pick up many of the activists who were committed to Senator Joseph R. Biden Jr. of Delaware, who withdrew from the race last month.

Some recent polls in Iowa, scene of the first nominating contest of 1988, show Mr. Simon running neck and neck with Representative Richard A. Gephardt of Missouri and Governor Michael S. Dukakis of Massachusetts.

In Washington, Mr. Simon has recently revamped his campaign organization, bringing on several respected political operatives and signing on the Hickman-Maslin Research polling concern. His fund raising has increased in recent months, totaling a respectable \$1.1 million in the third quarter.

All these moves, coupled with the disarray elsewhere in the Democratic field, are earning the senator from Illinois increasing attention.

"Personally, I think Simon is a sleeper," said Al From, executive director of the Democratic Leader-



Paul Simon, a Democratic presidential candidate, addressing labor union officials during a campaign stop in New York.

ship Council, an organization that has been trying to shift the Democratic Party to more centrist positions since 1984.

With his bow tie, horn-rimmed glasses and unabashed evocation of Franklin D. Roosevelt and Harry S. Truman, Mr. Simon, 58 years old, was long dismissed as an anachronistic in a field of "new generation" Democrats.

His pollster, Paul Maslin, said this notion was based on a funda-

mental miscalculation about the dynamics of 1988.

"I think we worshiped a false idol for a while about a new generational message," Mr. Maslin said.

According to the political gospel of the Simon campaign, young voters do not necessarily want a young candidate, nor do Democrats want their party remade in the shape of the Republican Party. Mr. Simon's supporters argue that he offers a refreshing change from the angst-ridden Democrats who are still re-

acting to Walter F. Mondale's loss of 49 states in 1984.

Mr. Maslin and other Simon supporters draw a rough parallel between Mr. Simon's appeal, centered on the slogan, "I am not a neo-anything—I am a Democrat," and the way Ronald Reagan's unashamed conservatism won hearts in 1980.

"He's someone who's not running away from the party's heritage," Mr. Maslin said. "And he's

also saying the heritage is not some old chapter in a book, but something very real that we can now apply to people's hopes and fears."

His critics suggest Mr. Simon's message has limited appeal. William Carrick, manager of Mr. Gephardt's campaign, said Mr. Simon "preaches old-time Democratic religion."

For example, a centerpiece of the Simon campaign is an \$8 billion annual job program.

Beyond the issues is the persona. In a campaign dominated by questions of character, which has already seen two Democrats withdraw from the race, Mr. Simon projects a reassuring solidity, some Iowa Democrats say.

All these assessments of Mr. Simon take place against an altered political landscape that is still shifting, first from Gary Hart's withdrawal amid suggestions of womanizing, then from Mr. Biden's withdrawal last month over disclosures of borrowing speeches and a plagiarism incident in law school.

"Clearly, he's right in the pack," said Lowell Jenkins, a former Democratic gubernatorial candidate who supported Mr. Biden.

Until recently, Mr. Simon's campaign was managed by Floyd Fithian, a former congressman who was the senator's administrative assistant. Now, much of the operational responsibility has been transferred to Brian Lunde, a former top staff member at the Democratic National Committee.

His critics say Mr. Simon still faces serious questions of electability, about whether he can move beyond a message candidacy to a credible bid for the nomination. As Mr. Carrick puts it, the question is of durability.

But the new members of the Simon campaign team say he has been underestimated throughout his political career.

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# Kirkpatrick, Greeted by U.S. Flags In Managua, Calls for New Elections

By Julia Preston  
Washington Post Service

MANAGUA — A crowd of Nicaraguans waving American flags cheered the former U.S. representative to the United Nations, Jeane J. Kirkpatrick, over the weekend. A small number of Americans denounced her visit.

Mrs. Kirkpatrick was on a one-day visit to Managua on Sunday, sent by President Ronald Reagan to give a Columbus Day address. She arrived in a U.S. Air Force plane.

U.S. diplomats said her visit was part of a campaign to show support for opposition groups by taking advantage of democratic reforms in Nicaragua since the signing Aug. 7 of a regional peace accord.

The invitation-only fete was held at the palatial Casa Grande, a former official residence of the U.S. ambassador that has been used only for ceremonial occasions since the 1979 Sandinista revolution because it was associated with U.S. backing for the Somoza dynasty.

About 800 Nicaraguans from groups opposing the Sandinistas listened as Mrs. Kirkpatrick made a rousing, largely philosophical half-hour speech.

"Perhaps the Sandinistas could win a free election," Mrs. Kirkpatrick said in Spanish. "No!" the audience boomed.

Applause then thundered when she said: "Some 15,000 Nicaraguans have taken up arms to fight for the liberty they thought they

had won in 1979," a reference to U.S.-backed rebels, known as contras.

She called for new elections in Nicaragua, and she repeatedly refused to rule out the possibility that the leftist government might comply with the peace accords by a Nov. 7 deadline.

While Mrs. Kirkpatrick talked, six American protesters suddenly stood up in front and unfurled a banner that read, "Support the Central American Presidents' Peace Accord," referring to the Aug. 7 pact. One shouted, "Viva Free Nicaragua!"

A U.S. diplomat said the demonstrators were not invited to the speech but as U.S. citizens were within their rights to attend.



A supporter embraces Jeane J. Kirkpatrick before her speech in Managua.

# UPI Will Transmit U.S. Agency's Material

By Bill McAllister  
Washington Post Service

WASHINGTON — United Press International, facing continued financial losses as it attempts to rebuild, has found a major new client: the U.S. government's foreign news outlet.

On Friday, the wire service will begin transmitting the U.S. Information Agency's news and features services from Washington to 33 newsrooms in six foreign cities. This is the first phase of a two-year, \$2.5-million contract that calls for UPI to send the government's news directly to media outlets in 32 cities.

The USIA material will be transmitted on circuits separate from those used by UPI news services

and will be printed on machines that will not be marked with the UPI logotype, an official said.

The material consists of news and features prepared by the information agency as well as the text of statements from the White House and the State and Defense departments.

Several journalists and journalism professors complained Sunday that the UPI service would create ethical problems and was certain to blur the separation between the American press and the U.S. government.

"I would say it is doubly ironic," said Michael G. Gartner, a former president of the American Society of Newspaper Editors and a Gannett Corp. news executive. "First of all that an American wire service

would take on as a client an agency of the U.S. government, and that it is distributing overseas material that is illegal to distribute in the U.S."

James Hood, a UPI vice president, defended the contract in an interview and said it would "absolutely not" create any ethical problems for the privately owned wire service.

Mr. Hood said the USIA wire "will have nothing to do with UPI news. It's what we call, in wire service jargon, third-party traffic."

"We all deal with the government a lot. We sell them our news service. I don't think our providing communication facilities for the government is any different than The Washington Post selling an advertisement to the D.C. Police Department about the sale of confiscated cars."

The journalists who questioned the UPI contract said that the distinction between news and advertising material in U.S. newspapers was different from a financial relationship between a news organization and the government.

Carl Sessions Stepp, an assistant professor of journalism at the University of Maryland and a senior

editor of the Washington Journalism Review, said that many people overseas had difficulty seeing the distinction between the U.S. media and the U.S. government and that the service might add to the confusion.

"It's one more way a coziness grows between the government and the press," he said.

For years the USIA press service, known as the agency's "wireless file," has been distributed by USIA officers who have received the material via government cable and delivered it to newspaper and broadcasting offices in the hope that it would be used.

The agency is banned by law from distributing any of its news or information products in the United States.

Under its director, Charles Z. Wick, the agency has embarked on an aggressive program to modernize its facilities, and a spokesman described the UPI service as "just another aspect of using high tech to get the word out."

The first cities to receive the service are London, Rome, Copenhagen, The Hague, Brussels and Ankara.

In London, the clients are BBC Radio and Jane's Defense Weekly; in Rome, ANSA, the Italian news service; in The Hague, ANP, the Dutch national press agency; and in Ankara, nine media outlets.

The service is available in French, English, Arabic and Spanish.

USIA officials said that UPI won a contract for the service last year in a competition with MCI Communications. The contract runs for two years and has an option for a third year.

"Our job is to tell America's story overseas," said a USIA spokesman, William B. Reinckens. "We expect this to improve effectiveness and speed the delivery of the news."

# Quilt Honors Victims Of AIDS in the U.S.

By Sandra G. Boodman  
Washington Post Service

WASHINGTON — Sue Caves lunged a weeping stranger or standing beside her as they gazed at the cloth panel that Mrs. Caves and three of her children made, her contribution to an enormous quilt in memory of those who, like her 35-year-old son, have died of AIDS.

When her panel was fastened to the 1,919 others Sunday, the quilt blanketed a two-block expanse in downtown Washington.

"It's so wonderful seeing it all together, so much more moving than I ever imagined," said Mrs. Caves, a real estate broker from Long Beach, California.

"If we could get people to think of them as real people, not as statistics, maybe we could get the whole country mobilized," she said, blinking back tears as she stared at the black and white panel that said: "I, Michael Caves, 1951-1986."

Except for the sounds of weeping, the crowd of 1,500 was hushed during the three-hour unfurling of the quilt, which was assembled in a San Francisco warehouse from pieces sent by friends and relatives of victims of acquired immune deficiency syndrome.

About 60 volunteers took turns reading the 2,000 names on the quilt. The volunteers included the Broadway producer Joseph Papp, Representative Gerry E. Studds, Democrat of

Massachusetts, and Representative Nancy Pelosi, Democrat of California, whose niece is commemorated in a panel.

The wrenching tone of the ceremony was set by the first reader, Cleve Jones, 33, a San Francisco gay activist who conceived the quilt idea and founded the NAMES Project, the collective of volunteers that constructed, financed and assembled the quilt.

Minutes after sunrise, at 7:15, Mr. Jones was escorted up a long white walkway to the podium that faced that U.S. Capitol.

"Quinting in the glare of the early morning sun, Mr. Jones, his hands shaking from fatigue and emotion, read a list of names, beginning with that of his closest friend, whose death a year ago moved him to begin the project.

His voice quavered as he finished reading his list, and when he stepped off the podium he buried his face in his hands and wept.

The colorful panels, which represent the dead from every state except North Dakota and South Dakota, which have the smallest number of AIDS cases in the country, incorporate a wide variety of objects or images special to those who were being memorialized.

There is a sleeve from a U.S. mail carrier's uniform, cremation ashes, silk flowers, feather boas, a chef's hat and a baseball jersey.

# Black Radical Leader of '70s Who Flew U.S. Lives in Cuba

New York Times Service

NEW YORK — Joanne Chesimard, a leader of the black radical movement of the 1970s who escaped in 1979 from a prison in New Jersey, has been living in Cuba for the last three years and was interviewed recently by Newsday.

Miss Chesimard, 40, who had been serving a life term for murdering a state policeman, is living in Havana with her daughter, Kakiya Shakur, 13. She recently completed an autobiography, according to her publisher, Lawrence Hill, president of Lawrence Hill & Co.

Newsday's article did not explain how Miss Chesimard got to Cuba but Mr. Hill said that she fled there in the summer of 1984.

He said the book, "Assata: The Autobiography of a Revolutionary," which covers her life until her conviction in 1977, did not include material on her whereabouts since her escape from prison.

"The FBI has been seeking her for unlawful flight to avoid imprisonment" since she escaped, a spokesman in Washington said.

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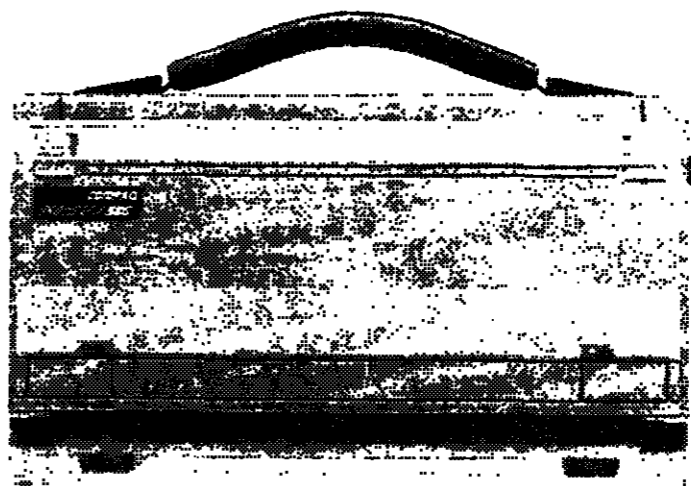
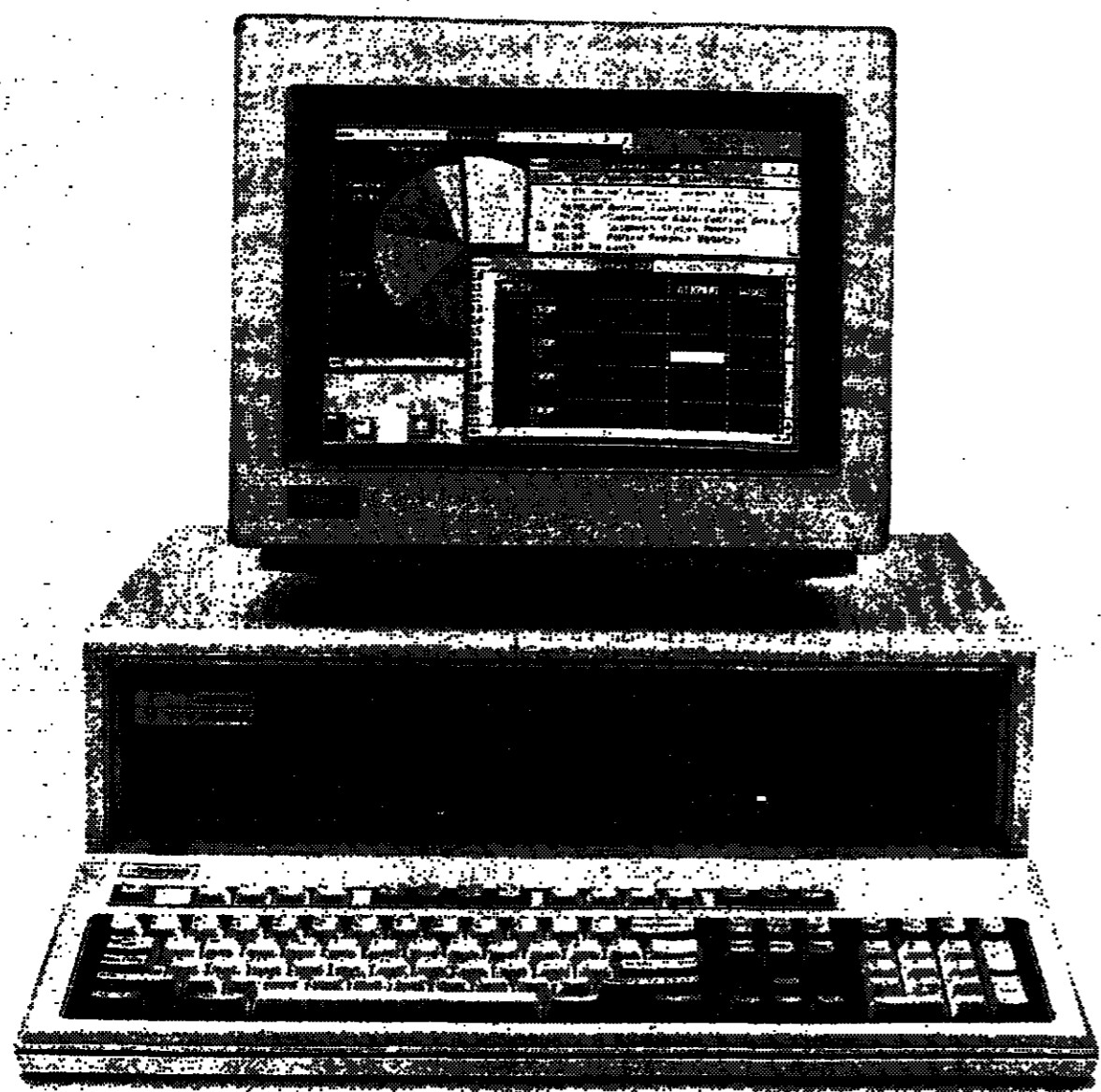
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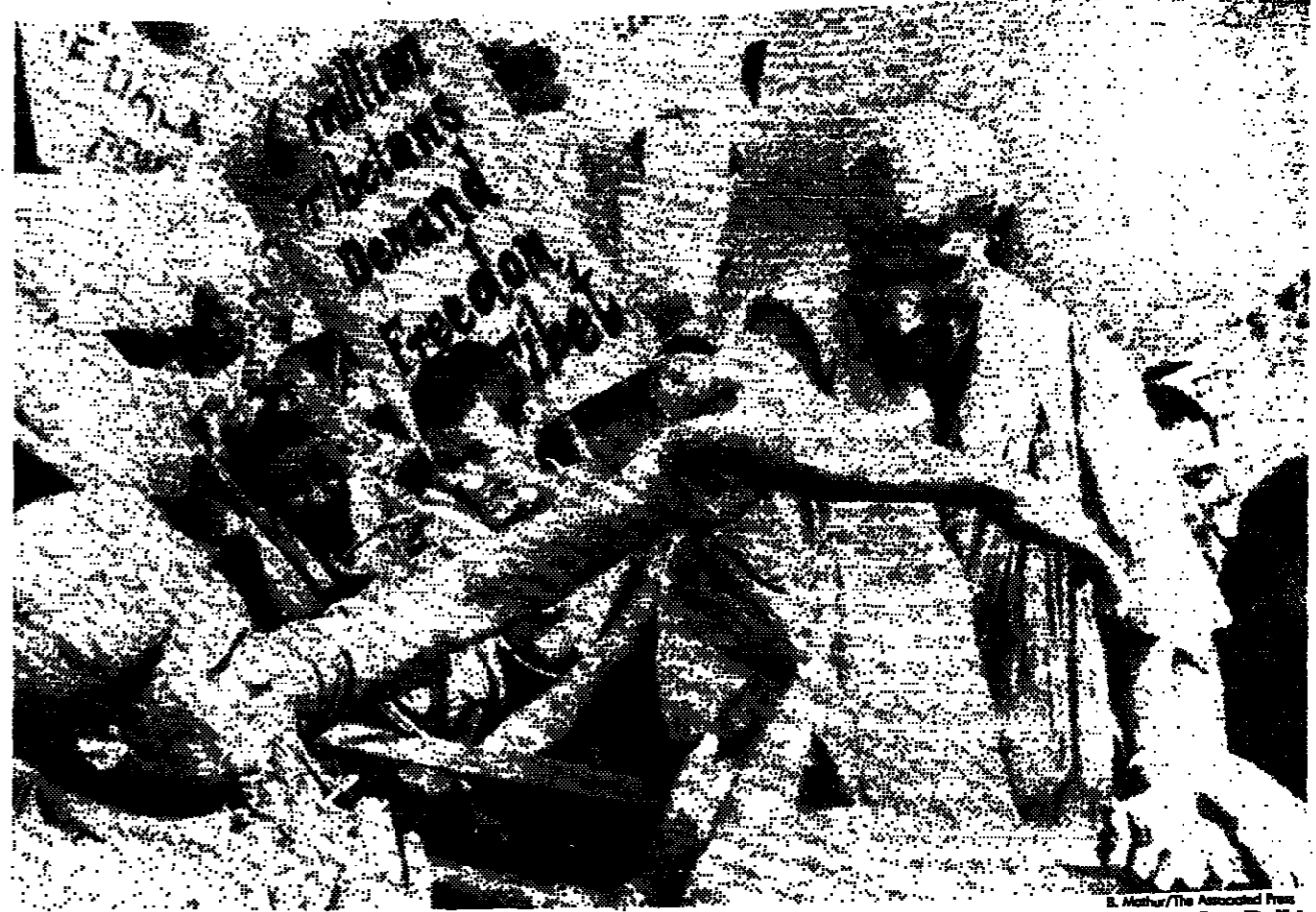
# China Urges Tibet Monks to Admit Error

By Daniel Southerland  
Washington Post Service  
LHASA, Tibet — The Chinese authorities in the Tibetan capital are pressing Buddhist monks who recently demonstrated for Tibetan independence to confess that they acted wrongly, according to several monks.

The authorities have reassured order after three pro-independence protests and are shifting their efforts to police interrogation, "educational meetings" and a propaganda campaign against those calling for independence.

Monks, both those in prison and those in isolated monasteries, are resisting the government pressure, several monks said.

But the monks, interviewed at two monasteries, said they were greatly outnumbered by the police.



An Indian policeman preventing a monk from climbing a barrier Monday during a protest by Tibetan exiles in New Delhi.

# South Korean Legislature Approves Constitution, Clearing Way for Poll

By Clyde Haberman  
New York Times Service  
SEOUL — South Korea took a major step in its democratic development Monday as the National Assembly overwhelmingly approved a constitution that calls for direct presidential elections.

The action clears the way for an election in mid-December, the first time in 16 years that South Koreans will be able to choose their leader by popular vote.

Passage of the constitutional amendment bill, 254-4, came as no surprise. The charter is expected to be passed handily in a required national referendum scheduled for Oct. 27.

But even though it lacked drama, the action was a milestone for South Korea as it comes to terms with sweeping democratic changes accepted by the authoritarian government last summer following widespread street protests.

# Deeper Inside a U.S.-Iran Link

Israeli Transcript Reveals an Ayatollah Open to the West

By Stephen Engelberg  
New York Times Service  
WASHINGTON — One of the enduring mysteries that is likely to remain unsolved in the Iran-contra investigations is whether there really were any Iranians hoping to have better relations with the United States.

At the Drepung monastery, no police roadblocks were evident. But monks said plainclothes police had taken up positions inside and around that monastery as well.

# U.S. Copter Was Armed, Officials Say

By Molly Moore  
Washington Post Service  
WASHINGTON — The U.S. helicopter that was fired on by Iranian boats in the Gulf last week was a heavily armed army gunship, not an observation aircraft as initially reported by the Pentagon, according to Defense Department sources.

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### Mubarak Is Sworn In, Backs Kuwait

CAIRO — President Hosni Mubarak began his second term as president of Egypt on Monday...  
It was Egypt's strongest public pledge of support for Kuwait and the...  
He said Kuwait, which is near the...  
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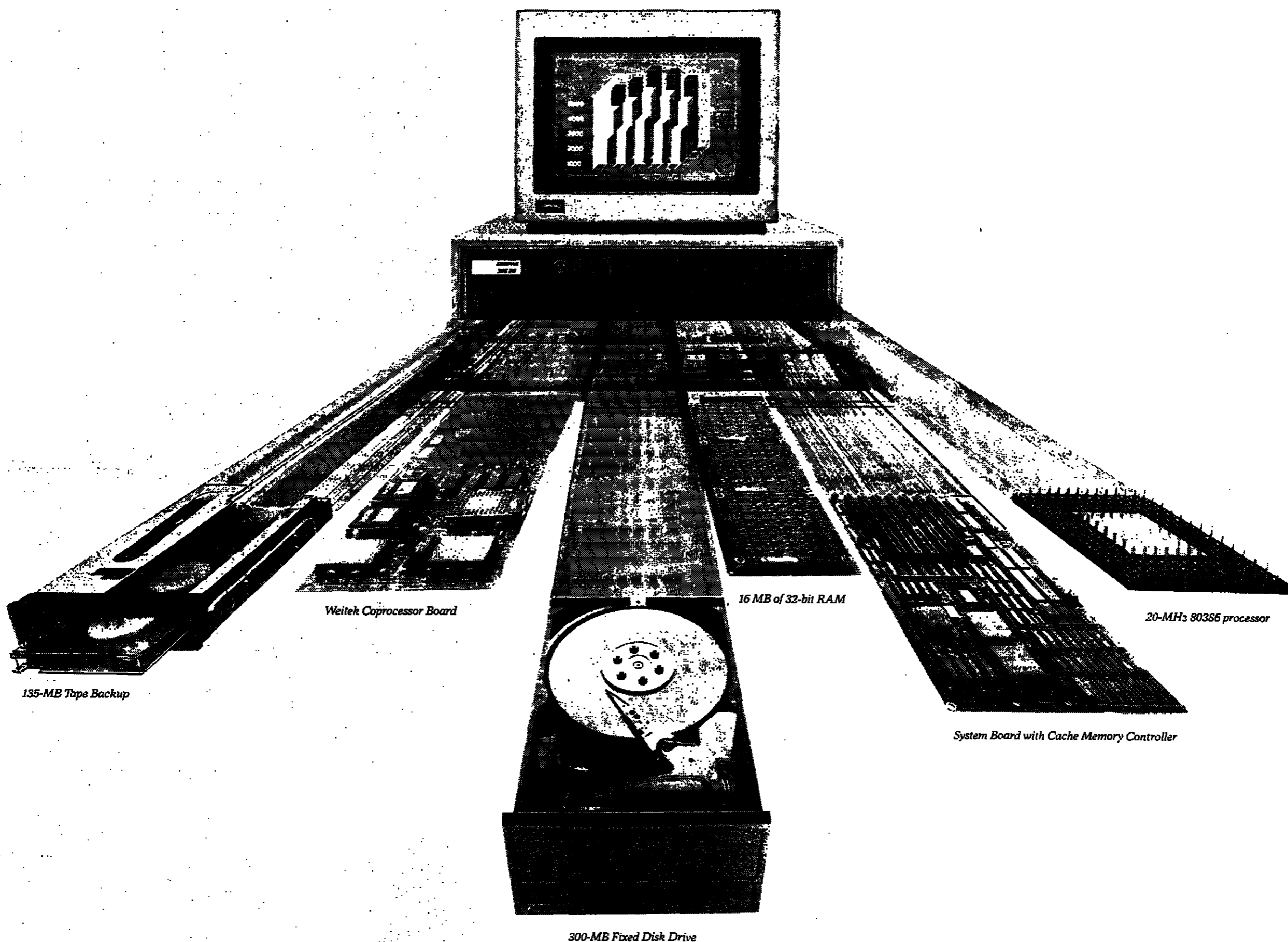
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# In French Politics, a Racist Tint

## Le Pen Policies Shake Up an Election Checkerboard

By James M. Markham  
New York Times Service

**AIX-EN-PROVENCE, France** — Across a lovely stretch of southern France best known for its sunshine and beaches, unwelcome racist sentiments have seeped into the mainstream of political debate as France gears up for a presidential election next spring.

It is here in the south of France that dense concentrations of Arab workers from North Africa have turned whole neighborhoods of cities like Marseille and Toulon into replicas of Oran or Casablanca — alien and frightening to many.

It is also here in the south that thousands of pieds noirs, French citizens who settled in North Africa but were uprooted by decolonization, came to remake their lives. Twenty-five years after Algeria achieved its independence, one-time pieds noirs have flocked to the National Front of Jean-Marie Le Pen, 59, an ex-paratrooper who shrilly demands a crackdown on Arab immigration.

The emergence of the National Front has upended the political checkerboard of the south, provoking widespread desertions from the Communist Party, once the repository of disgruntled working-class protest votes.

This has also obliged the traditional parties of the right to accept the ultraright group as a coalition partner in a regional council based in Marseille.

Moreover, Mr. Le Pen and his partisans have effectively fixed the issue of racism, and most recently, anti-Semitism, on the national agenda. A proclaimed candidate for the presidency, the burly Mr. Le Pen touched off a political storm last month by asserting that the Nazi gas chambers were "a detail" in the history of World War II.

Aside from its moral implications, the assertion seems to have been a spectacular political blunder and nowhere more than in the National Front's southeastern bastion, where Christian and Jewish pieds noirs have traditionally coexisted harmoniously.

As many as 600,000 Jews live in France and about 110,000 of them

reside in the southeast, perhaps 70 percent originally from North Africa.

Pascal Arrighi, a member of Parliament who is the National Front's leader in the south, has sought to limit the damage from the "detail" dispute. In an interview, he said that neither the party nor Mr. Le Pen was anti-Semitic and expressed "esteem and respect for the Jewish community" and "solidarity with the state of Israel."

But the controversy has thrown the Le Pen movement on the defensive and given its foes in various localities the hope of checking its rise.

One such place is Aix-en-Provence, a gracious southern city of 150,000 renowned for its annual musical festival, where the party cornered an impressive 21 percent of the popular vote in last year's parliamentary elections.

In the cavernous basement of his shoe store, Desiree Guigui, a 44-year-old Socialist member of Aix's conservative-controlled city council, said his party was "very worried" about Mr. Le Pen's revisionist outburst. A Jew who left Algeria in 1962, Mr. Guigui conceded that his concern was a personal one as well.

"I don't think that Le Pen brought out this 'minor detail' point unconsciously," Mr. Guigui said. "He is a racist. It started with the Arabs, and now it's the Jews. He wants to rally the people who are for the white race, for France."

A few blocks away, at the National Front's modest headquarters, Dominique Gajjas, a Corsican who grew up in Morocco and who directs an influential municipal development agency, tried to dismiss the controversy as "a Parisian affair" that had been blown up by the press and by Mr. Le Pen's enemies.

About a fifth of Aix's population is pied noir in origin, roughly the National Front's score in last year's election. But politicians here say that one of the most striking aspects of the election was the direct transfer of votes and loyalties from the Communist Party on the far left to the National Front on the far right: one of the party's most conspicuous ward leaders is a former Communist.

At his high-ceilinged law office on the Place des Precheurs, Yves Klencic, who quit the Communist Party this year, described the National Front electorate in Aix as "people disappointed with the Communists and racists, who have found someone who promises to do something about unemployment." In municipal elections in 1983, a list led by Mr. Klencic took 13.8 percent of the vote; its share shrank to 5.4 percent last year.

"There is a bit of xenophobia in each Frenchman, and it is easy to excite him," Mr. Klencic said. "But I have to say that even those of us who try to overcome this racism are confronted with a provocative attitude by young Muslims."

Last month, Aix lurched briefly into the national spotlight when a local jury of nine citizens and three judges gave a wrist-slap sentence of 10 months' imprisonment to a French policeman who had killed a 17-year-old Algerian in Marseille during a routine automobile check.

Larbi Talha, an Algerian scholar at the National Council of Scientific Research, said he was so "revolted" by the verdict that he did something out of character and attended a protest demonstration near Marseille. But it was indicative of the quiescent mood of Aix's Arabs that there was no demonstration here.

"Racism is not as visible or as violent here as in Marseille," Mr. Talha said. "But there are cafes on the Cours Mirabeau where Arabs don't go since they know they won't be served, and after a young Algerian was killed two years ago by a gang from Marseille, young Arabs make sure they don't go out alone at night."



Jean-Marie Le Pen showed anger, exasperation and fatigue at a press conference Monday.

## Le Pen Defends Protest in French Assembly

The Associated Press

**PARIS** — Jean-Marie Le Pen, leader of the extreme right National Front, defended Monday his party's raucous, name-calling disruption of the National Assembly over the weekend.

During a tumultuous all-night session Friday night and Saturday morning on a tough anti-drug bill, National Front members shouted insults, forced their way to the speaker's tribune and turned the electronic voting keys of absent members of other parties.

Mr. Le Pen said at a news conference that the protest was aimed at the absenteeism prevalent among the 577 deputies in the National Assembly, or lower house of parliament, which he called a disgrace.

The party demonstration was carried out in the presence of 13 deputies from other parties.

Except for the regular Wednesday questions to government members, which are televised, most debate in the assembly is conducted in a virtually empty house. Other members leave the keys to the vot-

ing machines in place at their desks to be used by colleagues.

"The National Front wanted, by a public demonstration, in the strict respect for the rules, to defend democracy and the interests of the people," Mr. Le Pen said.

"Ninety-nine percent of the deputies from the majority and from the left were absent during an essential debate on a law concerning a scourge that is striking hundreds of thousands of young people in our country," Mr. Le Pen said.

## GLASNOST: Gorbachev's Policy Is Stimulating Change and Uncertainty Throughout Eastern Europe

(Continued from Page 1)

ly erode party rule throughout the region as well as the Soviet Union's own leadership role, according to many of those who were interviewed.

A Hungarian economist, Martin Tardos, predicted that the governing parties of the region would finally go the way of the British monarchy.

"They may not lose power altogether," he said, "but they are probably destined to concede more and more of it to parliamentarians."

Hungary and Poland have already taken the first steps in this direction.

For Hungary, a plan to strengthen the role of the more populist-minded parliamentary government has already begun, according to interviews with senior officials, and is expected to go much further.

In a fractious session of the National Assembly in late September, legislators approved the socialist bloc's first comprehensive personal income and value-added taxes. They also passed a package of controversial austerity measures, including deep reductions in state subsidies on such basics as bread and milk.

In Poland, glasnost has brought local and Soviet historians together

in an effort to fill in the "blank spots" in Polish-Soviet history.

The joint project, approved in a meeting between Mr. Gorbachev and the Polish leader, General Wojciech Jaruzelski, shortly after the Kremlin leader's Prague speech, is expected to publicize the Polish blood shed by Soviet troops during World War II and other subjects so embarrassing to Soviet rulers that they have been kept out of history books in both countries.

And yet, activists and intellectuals in both Budapest and Warsaw are urging even bolder initiatives.

Polish intellectuals are trying to find ways to revive Solidarity, which was crushed and banned under General Jaruzelski.

In Hungary, too, the atmosphere of renewal appears to be resuscitating the reforms of 1968, initially introduced by the party but quickly quashed by the violent Soviet crackdown in Czechoslovakia.

The Hungarian reforms, which offered a comprehensive package of work, investment and social options to the public, were designed to democratize political as well as economic life, Mr. Tardos said.

"The events in Prague in 1968 deformed our movement into a purely economic one," he said.

"We are still suffering the consequences."

He expressed hope that "we now have a chance to revive the political aspects."

While Warsaw and Budapest debate the pace and content of reforms, neighboring conservative states such as Czechoslovakia and Romania appear to be avoiding significant change altogether.

"They are doing the barest minimum required to keep from being totally out of sync with Moscow," said Eberhard Schneider, an analyst at the Federal Institute for Eastern Research and International Studies, in Cologne, West Germany.

In a trip to Romania in May, the Soviet leader went into detailed public explanations of glasnost and perestroika, or reconstruction, as if to establish an example for the party leader, Nicolae Ceausescu. Romanian party officials, in the midst of their own campaign of austerity and repression, bristled in response.

"Ceausescu told Gorbachev very clearly in public that we are a people who have gone through many changes," Andrian Ionescu, general director of the official Romanian news agency, Agapress, said in a conversation in Bucharest. "And

we are used to doing things our way."

In East Berlin, even the use of the term *new way of thinking*, coined by Mr. Gorbachev to describe the philosophy behind his reforms, has been banned from the state-controlled media, according to official East German sources.

"To accept it would mean questioning the basis on which the party has governed for the last four decades," said Mr. Schneider, who is an expert in East German affairs. "They can't afford that."

With Moscow's controls over its allies loosened, however, some seem prepared to take positions that are at once more progressive yet potentially threatening to Soviet rule.

After Mr. Honecker's trip, for instance, behind-the-scenes efforts to bring the two Germanys closer together have apparently been revived. Moscow has traditionally opposed such moves.

Some Western Sovietologists conclude that while Mr. Gorbachev has rejected the so-called Brezhnev Doctrine on paper, his own, more flexible, policies toward Eastern Europe have yet to withstand the tests of time and political challenges.

# Widow Charges Murder In Bonn Figure's Death

Reuters

**GENEVA** — The widow and brother of Uwe Barschel, a West German politician forced from office in a political scandal, charged Monday that he had been murdered after meeting an informer who promised to help him.

Mr. Barschel, 43, was found dead in a hotel room Sunday. The Geneva police said Monday that a preliminary autopsy report had shown heart trouble but that neither suicide nor murder could be ruled out until chemical analyses were completed.

Mr. Barschel's widow, Freya, and his older brother, Eike, made the accusation at a news conference.

They also said that Mr. Barschel's party, the Christian Democratic Union, would have to pay for "abandoning" him during the election scandal. The party is headed by Chancellor Helmut Kohl.

"We believe it was murder," Eike Barschel said. "My brother took too many risks and paid for it."

A Geneva police spokesman, Jean-Claude Ducrot, said that Mr. Barschel's body had been found

fully clothed, lying in a bathtub of water in the Beau Rivage, a luxury hotel in Geneva.

Death by drowning or physical violence has been ruled out, he said. Mr. Barschel's head was not in the water and there were no bullet marks or blood on the body, he said.

Mr. Barschel, who resigned as premier of Schleswig-Holstein on Sept. 25, was to have returned to the state capital of Kiel on Monday to testify before a state parliamentary committee about allegations of political dirty tricks.

Eike Barschel said his brother had come to Geneva to meet an informer, identified as Robert Roloff, at the airport. The man had promised information to help his case in the scandal, he said.

The affair began when a former press aide alleged that Mr. Barschel had given orders to hire detectives to spy on the sex life of an election opponent and denounce him as a tax dodger.

The scandal shook confidence in Mr. Kohl's center-right coalition, in which the Christian Democratic Union is the leading partner.

### Armand Hammer in Kabul

Agence France-Press  
**MOSCOW** — Armand Hammer, the chairman of Occidental Petroleum, arrived Monday in Kabul, capital of Afghanistan, Tass reported. The Soviet news agency said Mr. Hammer was to hold talks with government leaders aimed at finding a solution to the Afghan conflict.

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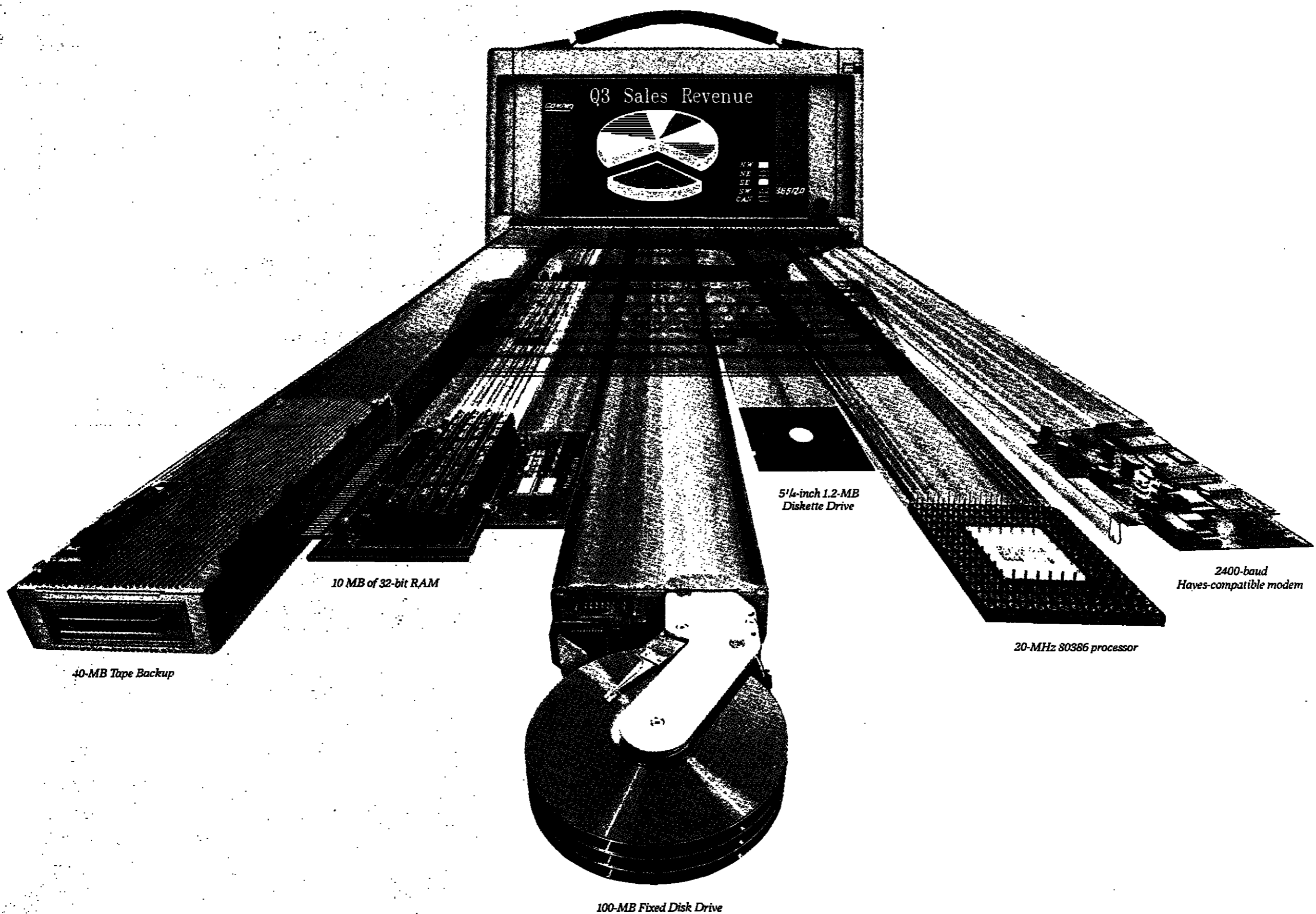
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Herald INTERNATIONAL Tribune

UNESCO Can Save Itself

A sigh of relief could be heard round much of the world a year ago when Amadou Mahtar M'bow announced that he would not seek a third six-year term as director-general of the United Nations Educational, Scientific and Cultural Organization.

board's choice. Like the character in the George Kaufman play, Mr. M'bow seems about to turn a dinner invitation into an indefinite stay, to the dismay of his hosts.

The Outdated Trade Bill

Uncertainly and slowly, the United States is trying to make up its mind about foreign trade and the proper American position in world competition.

be a great misfortune for the country. The Reagan administration is now working diligently to broaden the world's trade rules, known as the General Agreement on Tariffs and Trade.

A Final Debate on Bork

Judge Robert Bork surprised and, we imagine, discomfited many people by announcing that he will not withdraw as Supreme Court nominee because to do so now would be to acquiesce in a cheapening of the confirmation process.

respect, was a campaign that the opponents themselves will have cause to regret, one that, on some balance sheets, will cost them more than they gained.

Pray Tell, Mr. Robertson

Pat Robertson, a Republican, is the latest presidential candidate to run afoul of a torpedo that has sunk two Democratic candidacies and shaken another: truth.

first child was born 10 weeks after their wedding date. So the candidate and his wife must have engaged in premarital sex.

Other Comment

Dirty Tricks or Just Politics? Much of the talk at the International Herald Tribune's Centennial Fete in Paris was about politics back home.

in-law, John and Robert Kennedy. "Does anyone think there wasn't negative research before the Kennedy-Nixon debate?"

OPINION AIDS and Foreign Policy: The Problems Are Immense

By Paul Kreisberg and Harry Blaney

WASHINGTON—Awareness of the challenge of AIDS is intense in the United States — for what it will mean to schools, prisons, the workplace. But one major element is missing: the looming effect on foreign policy.

Access for U.S. ships, aircraft and other military forces to foreign bases or ports of call could become a problem. The armed forces have tested 90 percent of U.S. servicemen for AIDS, including all those embarking on overseas tours of duty.

Allegations, fed by Soviet propaganda, that American troops spread the AIDS virus have begun to appear as an issue among groups opposed to U.S. military bases in the Philippines and elsewhere.

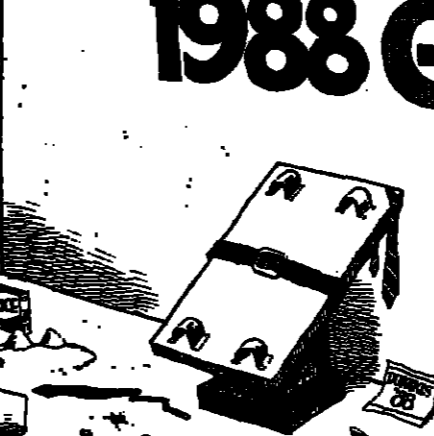
conditions for confidentiality and privacy, for damage to careers and families from requirements for testing before international travel.

When Ideology Is King, The System Pays a Price

By Anthony Lewis

BOSTON—It is a new experience for Americans to live under a government driven by ideology. There have been activist presidents, but not ones fastened to a theory.

"I will speak and work, strive and struggle, for the cause of the Nicaraguan freedom fighters." Little translation is needed to know what the president means.



Stop the Public Slaughter of Candidates

By James R. Dickenson

WASHINGTON—With the unrepentant demise of the Gary Hart and Joe Biden presidential campaigns, the role of the press in the election process once again has been thrust front and center.

another noted womanizer, in 1952. He said that those same Democratic Party leaders whose support John F. Kennedy needed in 1959 and 1960 had probably gone over the stories of his womanizing with him and "at least gained his verbal assurance or something that he'd toe the line a lot better, and if he'd show that he was single-minded about the office and that he knew this was serious business they agreed to go ahead and support him."

A Welcome Break on Third World Debt

By Richard E. Feinberg

WASHINGTON—A significant crack has opened in the official stance on Third World debt. The major international lending agencies now admit that some very poor, very weak developing countries cannot service their debts and simultaneously resume economic growth.

capital infusions and debt relief. The commercial banks are increasingly resigned to losses in the poorest nations. They fear that debt relief for the small and weak could become a precedent for the big and strong, seriously impairing the banks' balance sheets.

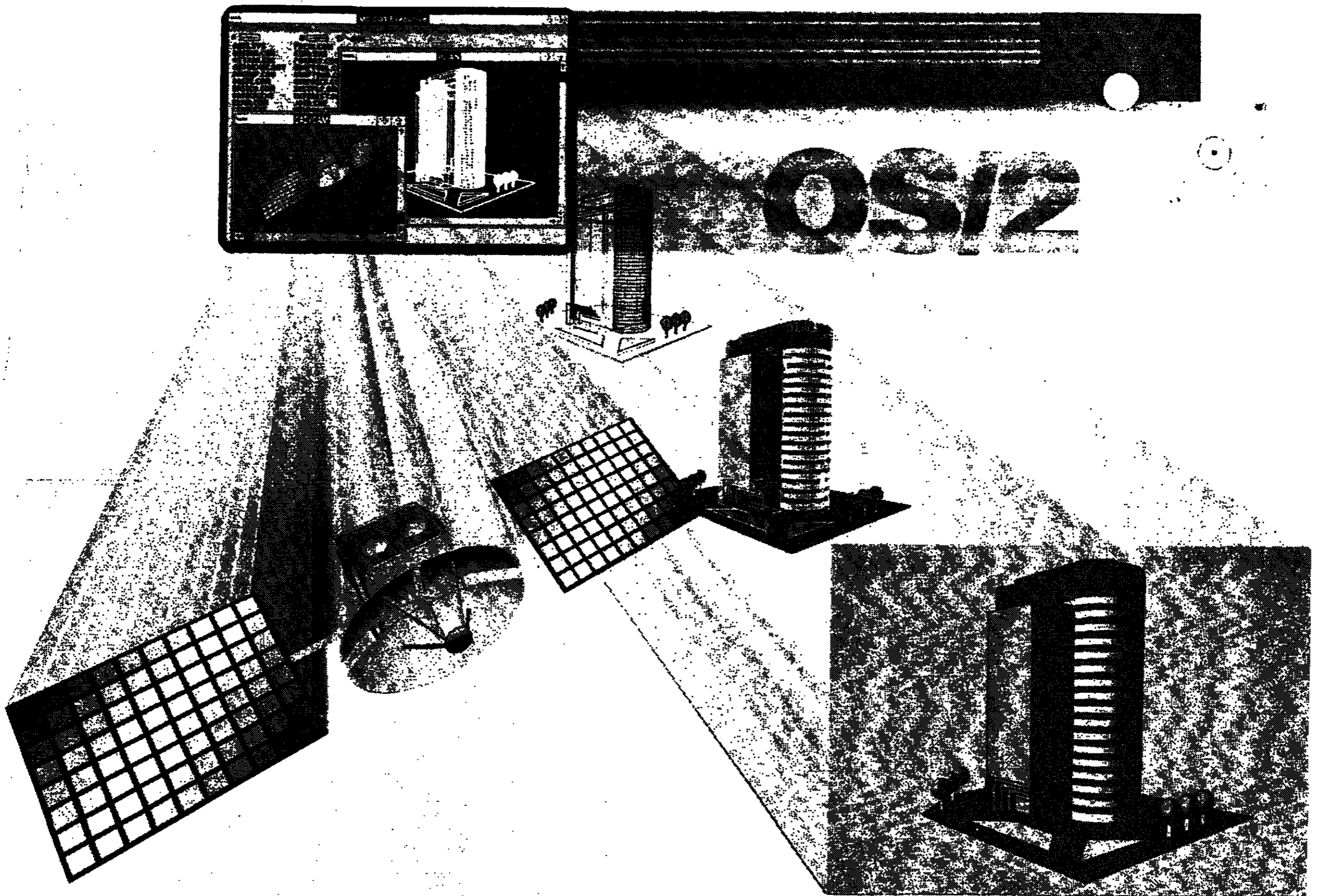
100, 75 AND 50 YEARS AGO 1887: A Channel Bridge? PARIS — "I have had a pleasant chat," writes a correspondent "with Admiral Cloué, the French ex-Minister of Marine, who is hard at work on his scheme for connecting England and France by means of a bridge over the Channel.

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1958-1982 KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen

1937: U.S. Consul Slain BEIRUT — J. Theodore Marriner, U.S. Consul General at Beirut, was shot and killed today (Oct. 12) at 8:30 A.M. in front of the Consulate by an Armenian named Mijarich Karayan.

1912: Italy Ups the Ante PARIS — A new factor has developed in the Balkan situation by the imminent rupture of the peace negotiations between Italy and Turkey and the avowed intention of the Italian Government to carry the war into

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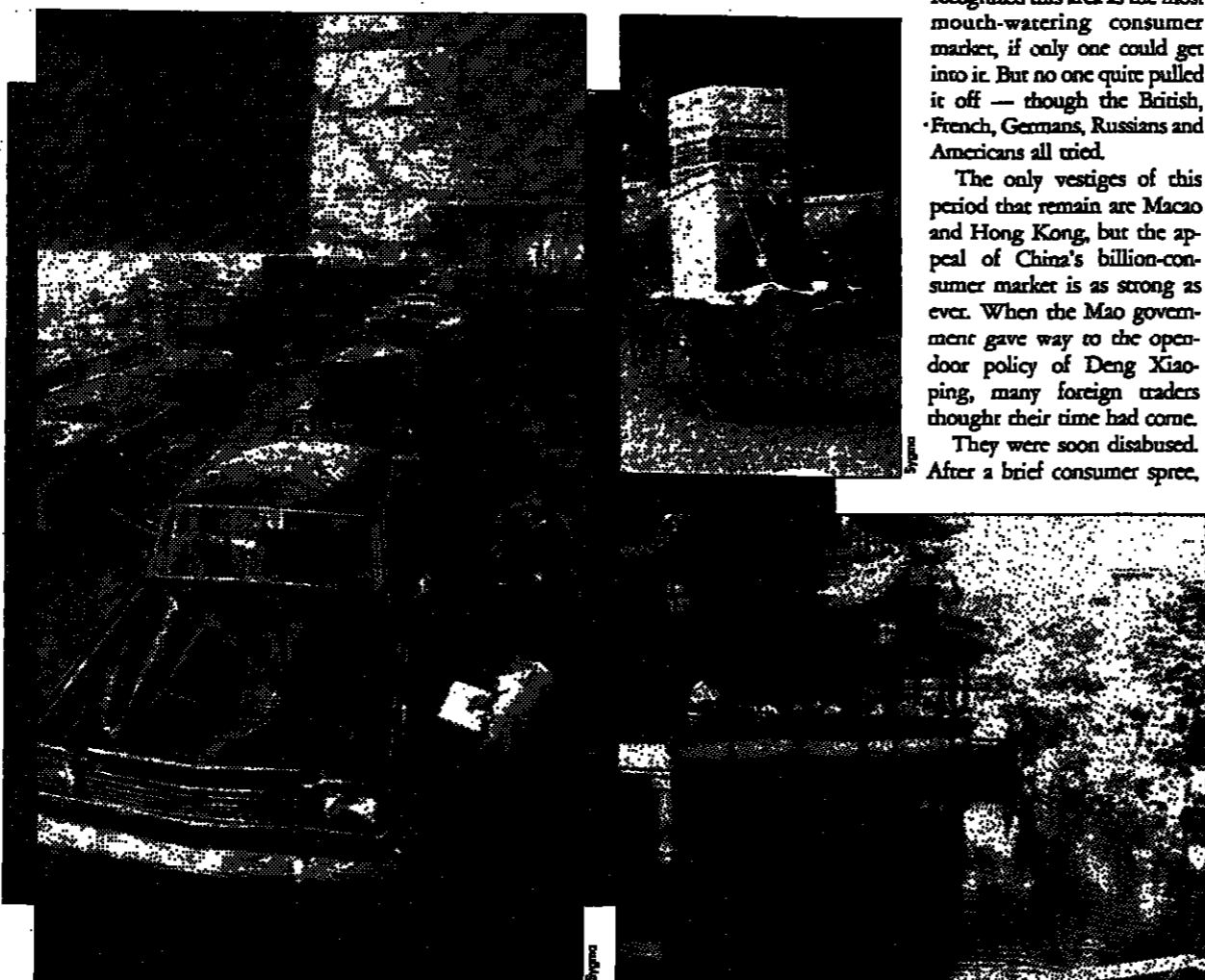
ADVERTISING SECTION

# CHINA

## MODERNIZATION TAKES SHAPE

**H**air to 4,000 years of civilization and home to one in five of the planet's population, China is confronting its own weaknesses and confirming its strengths as it strives to pursue open-trade policies while liberalizing the urban economy.

Shanghai scenes: automobile industry (left), new consumer goods (top right) and traditional temple (bottom right).



**C**HINA is a chameleon. In this century alone it has taken on the colors of, successively, a decayed dynasty, a chaotic war-torn anarchy invaded by an outside power, a stern revolutionary autarky closed to the rest of the world — and now a liberalizing one-party republic.

The longest recorded continuous civilization on earth, this massive nation covers nearly 7 percent of the world's land surface, but only 11 percent of that is cultivated. Deserts and mountains dominate the western half, and the population of 1.06 billion is highly concentrated — along the coast and two river valleys on the eastern side.

Even last century, traders recognized this area as the most mouth-watering consumer market, if only one could get into it. But no one quite pulled it off — though the British, French, Germans, Russians and Americans all tried.

The only vestiges of this period that remain are Macao and Hong Kong, but the appeal of China's billion-consumer market is as strong as ever. When the Mao government gave way to the open-door policy of Deng Xiaoping, many foreign traders thought their time had come. They were soon disabused. After a brief consumer spree,

when some local authorities and other groups imported truckloads of gadgets and little "luxuries," the central government clamped down on foreign-exchange expenditure before the reserves vanished altogether.

They took a hard look at the realities of China's economic life. The country's infrastructure was in a parlous state. Export trade was ill-organized, quality control was low, modern skills were lacking and commercial law had virtually been abolished. There was one bright spot: the country was not in debt.

The new administration therefore resolved to act on the following principles: no imports without exports; foreign reserves to be husbanded with care; imports to be more of a capital nature than consumer nature; borrowing to be done with great circumspection; and a whole corpus of commercial law to be built up as quickly as possible.

That is the current economic situation in China. Foreign exchange reserves have stabilized around the US\$11 billion point, after a critical period in 1984-85 when they ran down too fast. China also has gold stocks worth about \$4.5 billion and, it is believed, significant potential as a producer of the precious metal. "No wonder bankers want to lend them money," says Anthony Russell of the Hong Kong and Shanghai Banking Corporation.

When Deng Xiaoping came to power, his reform policies were needed if China was to modernize. But China would have to quadruple real output and double energy production. It would also have to quadruple foreign trade; hence the opening of China's doors to international commerce and investment.

In effect, Deng targeted real economic growth at 7 percent a year for 20 years. In fact, during the period 1981-85, yearly growth was nearly 9 percent.

China's central government budget deficit in 1986 was some 7 billion renminbi (about \$19.6 billion). Foreign trade has been affected by measures to conserve the reserves and restricted foreign exchange for imports, but export growth has continued.

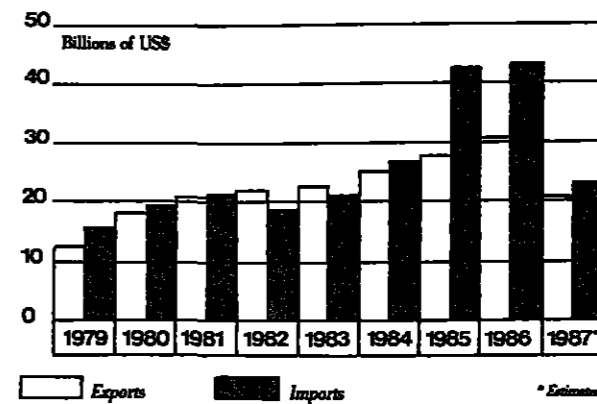
The general level of inflation is moderate, except in some sectors where price levels are beginning to rise remorselessly; an example is rents, which were fixed at un-economically low levels under the previous "command economy."

Russell notes that "the real growth of disposable income is very striking indeed." Rural people have begun to receive a bigger share of the income cake, with the freeing of the

general standard of living. Momentum is so great, especially in energetic urban centers such as Shanghai, Tianjin, Wuhan, Dalian and Guangzhou, that it is doubtful whether even determined advocates of a "command economy" could do more than moderate the tempo of change.

Even amid the controversies over "bourgeois liberalism" and "capitalist corruption," several basic policies clearly shape the economy. A prime aim is to reduce the government's role in running corporations and make management responsible for profits and losses. Also, workers should be paid and subsidies that distort the pricing system should be removed.

FOREIGN TRADE TRENDS



Source: Ministry of Foreign Relations

farmer from production quotas, the abolition of the commune system and the development of more industry in country areas.

"It is now a supply-demand situation, especially in farm produce. Deng gave the land back to the peasants, and after they have produced their quotas they can produce what they like, sell it where they like and at what price they can get. The result has been much more output," he concludes. China became a net grain exporter on international markets, indicating an amazing change from 1978.

China is now seeing a wide and deep improvement in the

Direct foreign investment is therefore welcome in China if it furthers the modernization of the infrastructure — transport, communications, ports, etc. — and introduces new technology and skills.

This year is critical for China's political development. October's National Congress will compromise the stances of the reformists and conservatives. According to knowledgeable observers, the open-door policy will not change. It is more a question of the pace of change, and how that is to be accomplished. Mr. Russell concludes: "The general atmosphere is relaxed and optimistic. It's business as usual."

## Well-cultivated in China



All eyes are on China. It's a land of vast resources and emerging opportunities. With an attitude towards trade and contact with the rest of the world that has changed radically in recent years. However, a great deal of experience and understanding are necessary to do business successfully in China.

It has taken the Hongkong and Shanghai Bank over a century to develop our present knowledge of China and to have the largest representation of any foreign bank in China. We have offices in Beijing, Guangzhou, Shanghai, Shenzhen, Xiamen, Wuhan and Tianjin. Furthermore, we have a substantial group of specialists in HongkongBank China Services Limited.

We arrange immediate introductions to the major Chinese corporations. We also advise on direct investment, market conditions, trade practices and documentation requirements. As well as supplying information on commercial law, tax regulations and how to avoid pitfalls.

The Hongkong and Shanghai Bank even produces a quarterly newsletter to keep customers aware of economic events, policies and developments in China.

Don't take business development in China for granted. Before considering a business venture, talk to the experts, talk to those with experience and insight.

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ADVERTISING SECTION

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# More Hotels to Welcome International Travelers

**D**EVELOPMENT of tourism capacity has probably been the fastest and most colorful new phenomenon in China since 1979. China now has 325 modern hotels with all the services expected by the international traveler. The pace of new hotel openings is still high, and over 3,500 bedrooms will be added to the current 120,000 by the end of next year.

This has been one of the most obvious about-faces of post-Mao policy. Entry into China used to be a special privilege, under strict conditions. Now foreign visitors are heartily invited to cross the border, see the sights and please spend some money.

The major international chains are already active. Boston's Sheraton, Memphis's Holiday Inn, Chicago's Hyatt, soon-to-be-Britain's Hilton International, Hong Kong's Peninsula, Sweden's Sara Hotels, Hong Kong's New World, Switzerland's Moevenpick, Arizona's Ramada, Singapore's Shangri-La, the Swiss-belhotel and the Swissotel group — all of them are now operating or building in China's major cities. The state also runs first-class hotels, such as Guangzhou's White Swan and Nanjing's Jinling, both of which have fine reputations.

Does this sound as if all these hotels look the same, and so "western" that they could be anywhere? Not in the least: The varied architecture and design exhibit good taste, and blend easily with China's exotic ambience. But all the modern communications are there — international direct dialing, 24-hour telex, translation help, modern office machinery, sports and recreation facilities.

The Sheraton Corporation,

for instance, has two hotels operating and three scheduled. The Great Wall Sheraton Hotel in Beijing has 1,004 rooms, with probably the fullest range of services in the city: health club, tennis courts, swimming pool, billiard tables, theater, etc. It claims the "biggest ballroom in town except for the Great Hall of the People," and a seven-language translation service.

The Hua Ting Sheraton in Shanghai, with 1,008 rooms, opened recently. All accommodation is air-conditioned, with round-the-clock service, in-room movies, eight bars and restaurants, ballroom, business center, swimming pool and gymnasium.

Coming up in the Sheraton group are the Sheraton Xian Hotel due for opening in mid-1989, the Sheraton National Palace Hotel in the southern resort of Guilin, which should open about the same time and the Sheraton Tianjin in the northern business center and port of the same name.

Richard Hartman, a Sheraton senior vice president, says that China has become a major growth area for the chain. In some resorts it has future plans for 3-star hotels (called Sheraton Inns) to fill the need for reasonably priced but comfortable accommodation.

In charge of China's tourism development fortunes is the China International Travel Service (CITS), responsible for the organization and the reception of foreign tourists in China. Its aim, says Ms. Yi Xiaoli, director of the meetings and incentive travel section, "is to expand the ties and contacts between the peoples of China and other countries, to promote friendship, and to serve the four modernizations of our country." It boasts a good, well-trained staff, and has established connections with more than 500 foreign

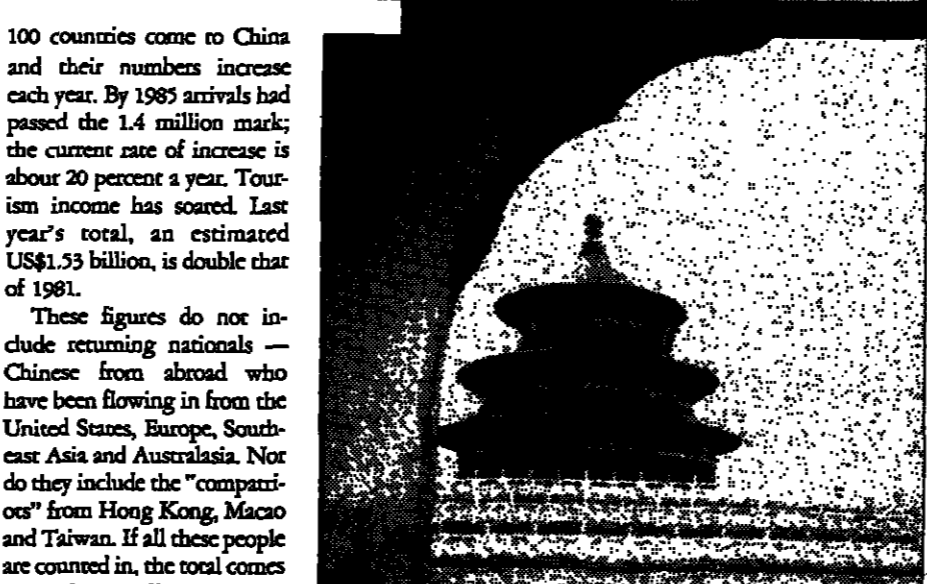
tour operators, friendship organizations, airlines and shipping companies worldwide.

CITS has its head office in Beijing and branch or sub-branch offices in all major cities, tourist centers, scenic resorts and ports of entry throughout China. China National Tourist Offices in Tokyo, New York, London, Paris, Frankfurt and Hong Kong provide tourist information and promotional material.

Foreign tourists from over

# CHINA

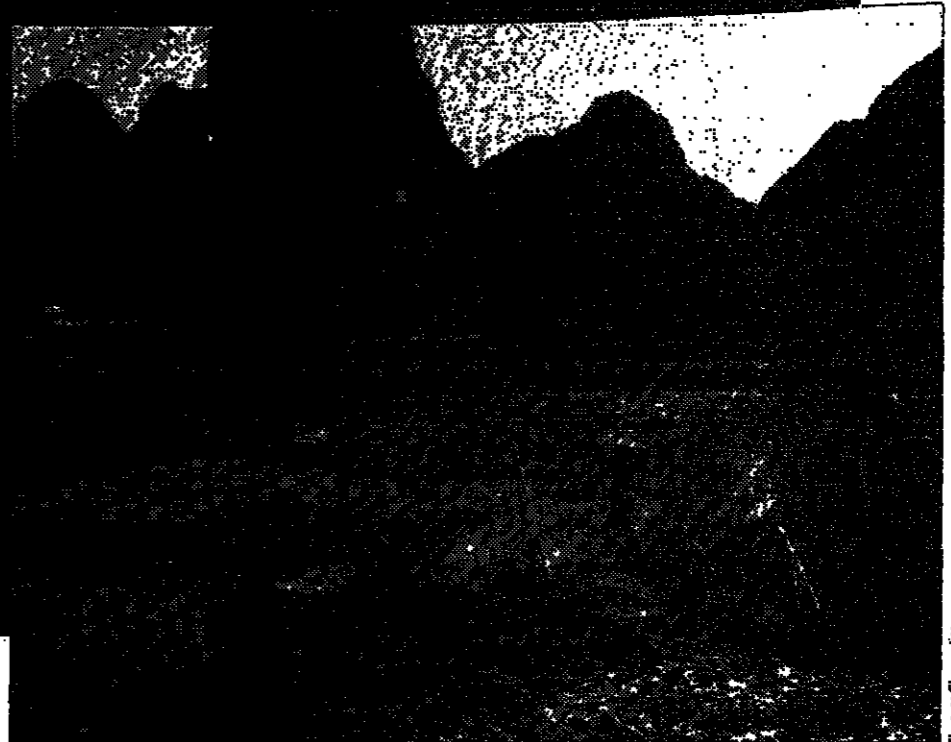
## MODERNIZATION TAKES SHAPE



Timeless images: (clockwise) Temple of Heaven, Beijing; visitors near Ming tomb; Kunshan landscape; harvesting.

your supper" tours: Tourists can meet and speak at institutions and exchange ideas, while also visiting the more normal "tourist attractions." The latest initiative taken by CITS will be to organize very up-market VIP tours and corporate meetings, using luxurious state guesthouses (the

guesthouse in Beijing is still furnished and serviced in truly imperial style, for instance). Then, off the beaten track, how about the Three Gorges of the Yangtze River, the ancient Grand Canal, the famous Silk Road, the Inner Mongolian grasslands, panda country, or folklore tours?



## Harvests Exceed Expectation

**T**HERE'S more than tea in China. The country grows cold-climate grains like wheat and warm-climate grains like rice and soybeans. It produces cotton, silk, ramie and various animal wools; peanuts, rapeseed, sesame and other seed oils. That's in addition to beer and sugar cane; just and other industrial grasses; fruits and vegetables from deciduous to subtropical and vast numbers of pigs, chickens and ducks.

It also makes some fortified wines and spirits and good light beers. Just recently, foreign investors have developed some white wines to the European taste. Canned and processed vegetables and fruits have also been developed for foreign markets, and the tea trade (which goes back many centuries) has been revived.

One product has declined: fine hard timbers, owing to population pressure on the forests. Under liberalization of the rural areas, farmers seem to be favoring more diversified crops (they pay better) and deserting the basic grains and vegetables, a trend which sometimes worries the government.

As in many Asian countries, China's main farming weaknesses are overcrowding and the weather. Flood and drought can still threaten famine. The systems of transport, storage, chilling, processing

and preservation are still weak, and foreign investors who can help with those technologies are very welcome. Some 80 percent of the people still rely on agriculture, forestry and fishery even now. About 50 percent of the country's total output is from this sector. When the liberalizations began in 1979, agriculture and the rural areas were the first to be reorganized and these reforms were enthusiastically welcomed by most of the rural people.

As a result, agricultural output soared at an annual average rate of over 8 percent in 1981-85, far exceeding the government's target. Even the state-run farms have done well; more than doubling their output since 1979, after a "job responsibility" system was introduced delegating more decision-making to the local leaderships, and allowing them to retain some of the surpluses they gathered.

In recent years the output of rice has averaged about 170 million metric tons, wheat 85 million tons and coarse grains 65 million tons. In meats, raising larger beasts is probably uneconomic except in the grasslands of the northwest. But recently some worrying trends have emerged: grain acreage fell 7 percent in 1985, and productivity per acre is slow to improve.

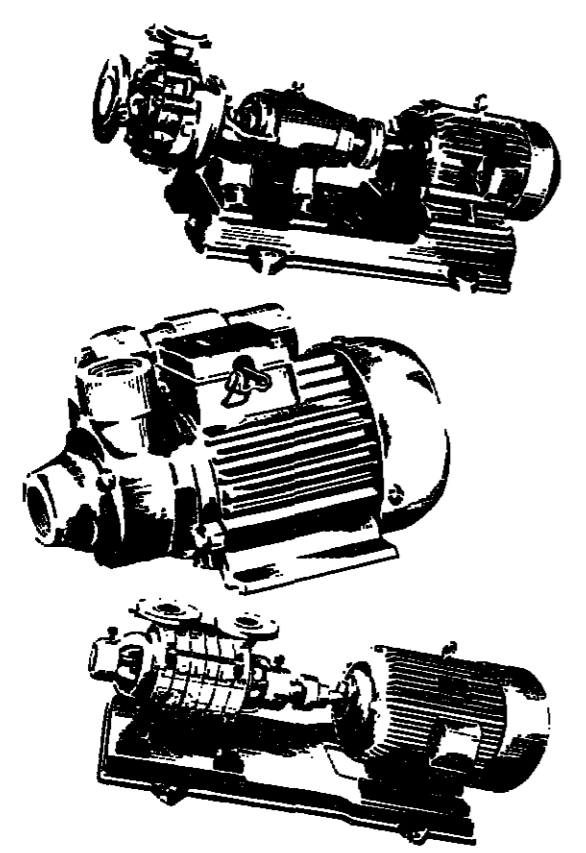
Output of grains last peaked in 1984 at 407 million tons, but fell back steeply to

379 million tons in 1985; 1986 saw some improvement, at a total of some 390 tons, and the target for this year has been set at 405 million tons. Floods have been severe this year, and earlier there were some droughts. Can the current target be met? Beijing hopes so. China's farming remains close to the arts and crafts industries, and so it is in many ways more productive overall and more ecologically balanced than the "modern" agricultural economies. Farm families can earn extra income from such activities, and the well organized state trading corporations collect from the countryside for local and foreign trade.

The government aims to increase diversification by expanding aquaculture (growing fish in ponds with controlled breeding and feeding) and forestry (China's forests have been much denuded over the centuries and in the north a bad fire has destroyed millions of trees). The authorities would also like to raise the output of fruit, herbs and fodder.

Incentives have been offered to create more industries in the rural areas, to stem any uncontrolled drift to the towns and the cities, while also reducing the proportion of the population dependent on agriculture down to 40-50 percent. Indeed, about 70 million people have left farming since 1979.

We're ready to pump out extra profits for your company.



The China National Machinery & Equipment Import/Export Corp. Guangdong Branch was established on June 1st 1978. Over the years, we have constantly promoted the concept of "combining industry and trade", "combining technology and trade" and "combining import and export".

With these concepts as the driving force, we've developed some really out-standing products. Among these are pumps. The pumps from our corporation are already making sales records in a number of countries, especially in Australia. They include: self-priming pumps, axial-flow pumps, domestic pumps, corrosion-resistant pumps, vortex pumps, clear water pumps, deep water pumps and hand-operated pumps, to name a few.

Write to us, and see how these high quality, competitively priced pumps can help to pump out extra profits for your company.



**China National Machinery & Equipment Import/Export Corp., Guangdong Branch**  
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## China's Number One Arts & Crafts Company.

The Guangdong Arts & Crafts Group, which in total provides over 90% of all the arts and crafts items available in China, is entering a new era.

Our original name China National Arts & Crafts Imp. & Exp. Corp., Guangdong Branch, has been changed to China National Arts & Crafts Imp. & Exp. Corp., Guangdong (Holdings) Co.

To all our friends in China and those abroad, this marks the beginning of a new era. This change of name represents the restructuring which has taken place within the organization.

We will continue to offer a comprehensive range of traditional as well as modern decorative arts and crafts from China. We also offer arts and crafts for daily usage. We would like to take this opportunity to reassure our business associates worldwide of our continued commitment and dedication to the production of high quality decorative Chinese arts and crafts.

Our ten subsidiaries and their scope of business are as follows:

<b>Toys Branch</b> Toys made of all kinds of materials.	<b>Shoes &amp; Hats Branch</b> Art shoes made of different materials for men, women and children, arthats and fashion gloves.
<b>Gifts Branch</b> Ornament gifts, tourist gifts, festival gifts, artificial flowers, leaves and trees.	<b>Traditional Arts Branch</b> Ivory carvings, Jade carvings, glazed wood carvings, metal arts, antique imitations, lamps & lightings, porcelain & pottery.
<b>Plaited Products Branch</b> Products made of lam, rattan, bamboo, straw, flax, palm and other plaited products made of plant fibre.	<b>Bags &amp; Suitcases Branch</b> Bags & suitcases made of natural and man-made materials, handbags and decorated bags with all necessary parts.
<b>Furniture Branch</b> Wood furniture, steel furniture, furniture with carvings, rosewood furniture, rattan furniture, plastic & fibre furniture.	<b>Jewellery Branch</b> Plain gold jewellery & ornament, silver jewellery & watch diamond & ornament, carat gold jewellery & precious stones, natural & cultured pearls, jade, semi-precious stones jewellery.
<b>Embroidery &amp; Drawnwork Associated Branch</b> Hand embroidery, hand crochets, machine embroidery, printed embroidery, machine knitings drawnwork materials, quilted making and art garments with decorations.	<b>Warehouse &amp; Shipping Branch</b> Warehouse leasing, bonded warehouse, import declaration & customs, commercial inspection formalities, truck, transportation between Mainland, Hongkong & Macao, packing and packaging design and manufacturing.



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## New Focus on Light Industry

**D**URING the Mao era, when the emphasis was firmly placed on heavy industry, light industry was much neglected. Now the new administration is redressing the balance. Heavy industry is being improved, not expanded, while China's light engineering industries are being revived at top speed — not only to produce exports, but also to manufacture items such as clothes, foodstuffs and household equipment for the domestic market.

A large proportion of China's 20,000 textile enterprises are based in Shanghai. Textile processing plants account for about 16 percent of China's total industrial output. Their



Women workers in textile industry.

exports earn over US\$17 billion for the country and, having risen by an average 13 percent in recent years, now account for nearly 20 percent of all export activity.

China has also latched on to the need for quality control in light engineering. Above all, China wants to move into

the high-tech world — and the faster the better. From hand-craft to CAD/CAM, productivity is seen as the imperative need.

This advertising section was written by Alan Chalkley and Betty Udofomo-Chalkley.

Maintain Balance

Jeff Smith

ADVERTISING SECTION

ADVERTISING SECTION

# Maintaining the Balance of Power

**C**HINA'S biggest joint venture with a foreign company can be seen at Pingshuo, in Shanxi Province, in north central China, southwest of Beijing, where a large open-cast coal mine was opened on September 10 this year. The foreign partner is Occidental Petroleum, whose chairman Armand Hammer has enjoyed a long and colorful career maintaining trade and investment links with both Moscow and Beijing.

Shanxi Province has more than half of China's known coal reserves. On the occasion of the opening, the Chinese Vice-Premier Li Peng was present with Hammer to launch the US\$650 million complex, which is designed to produce 12 million tons of washed steam-coal a year, of which 75 percent is to be exported. Occidental itself is investing US\$200 million.

China has, on the face of it, the world's largest coal reserves — some 770 billion tons — but this does not make them economic. The quality varies, as do the situations of the mines. Nearly all of China's coal is in the north, and in the past, transport bottlenecks have affected production, and made it uneconomic to carry coal all the way to the southern half of the country for energy production. Thus it may well be economic for China to export coal in the north, and import it in Shanghai and the south.

Another problem for China is the current price of coal on world markets. Japan takes half of China's coal exports, but demand there is flat because of recession in the steel industry.

Last year Beijing's State Council, alarmed by falling foreign exchange earnings in

the wake of the oil-price drop, decided to treble coal exports. The new target of 30 million tons annually should be reached in just four years.

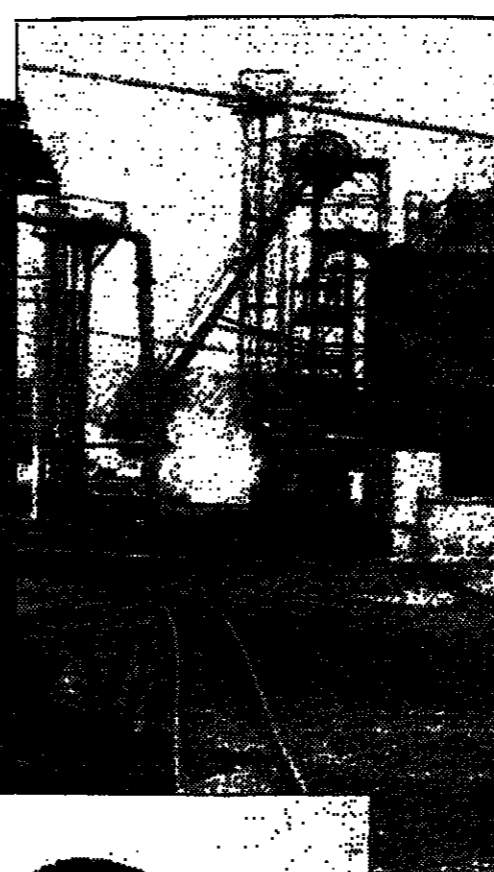
Oil was the country's leading source of hard currency until early 1986, when a glut depressed the market in the West. So far the search for offshore oil and gas has been disappointing. Commercial quantities have only been discovered in Bohai Gulf in the north, and perhaps around the Pearl River in the south. The search has now switched to onshore areas, and foreign participation is being strongly encouraged.

China's energy strategy is a vital one. If the country is to modernize its economy, from giant factories down to small village homes, electric power will be required in far greater amounts than are presently generated. Some sources put even the existing power shortage as high as 25 percent.

If fossil fuels fail to satisfy future demand, China has two alternatives: a determined effort at power-saving technology (where foreign know-how will be essential), or nuclear energy.

Recently, the government announced that it would press ahead with nuclear-powered energy sources, especially in the center, south and west. At the moment, excluding research activity, there are only two small nuclear-generator sites, one near the border of Hong Kong and the other near Shanghai. Such development is slow and expensive, so fossil-fueled stations are planned for other areas of the country.

With or without foreign partnership, the economics of local or imported fuels — these are the factors that China must balance.



# From Fasteners to Turnkey Plants

**W**E have entered the era of highly specialized machines — contrary to tradition, it is now the end-product that determines the form of the machine rather than the other way around. This, at least, is the informed opinion of the Guangdong branch of China's Machinery and Equipment Import and Export Corporation, based in Guangzhou (Canton).

The range of products that they offer extends from complete plants down to individual hand-tools and small fasteners. Fork-lift trucks, air-conditioners, standard shipping containers, heating radiators, pumps, motors, switches and transformers are all featured in their catalog.

"We are an integrated enterprise which looks at manufacturing and trading as one entity. In this way we aim to turn out more and better products, expand our export markets and widen our relations with industrial and commercial circles throughout the world," commented their spokesman.

Guangdong Province does have some special advantages. It is on the busy South China Sea routes and is the neighbor of the modern economies of Hong Kong and Macao. It is therefore close to areas of industrial change, and can exchange ideas with the outside world quite easily. It also has convenient and rapidly developing transport and communication links through its own ports and those of the two foreign enclaves.



China is exploiting its natural resources with modern coal mines and power plants in the energy sector as well as traditional arts and crafts for export. Clockwise from above: hand engraving; open cast mine in Fushen; power plants in Hsinpei City; coal mines in Hopt; pottery making.

# World Demand for Arts and Crafts

**T**HE province of Guangdong, on China's south coast, has a long tradition of handicraft skills and designs, partly due to the area's close connections with European traders. Much of China's pottery, porcelain, carpets, paintings and carvings trade from the west and northwest has been exported through Guangdong Province over the centuries.

This explains the local skills in the finishing, packaging and marketing of textile, wood and ceramic ware. Western interest in Chinese house furnishings and interior decoration has enjoyed a recent revival. The brilliant Chinese colors and richness of design are back in vogue.

The Guangdong branch of

China's Arts and Crafts Import and Export Corporation is now trading with over 100 countries. The bewildering range of products are all handmade, using natural raw materials such as straw, willow, rattan, fern, hair and bamboo or metals, jade and gems. The products themselves vary from small toys to large furniture and include hand embroidered clothing, handbags and other accessories in the rich Chinese style. There are also brassware items, artificial flowers, Chinese lamps and lanterns, jewelry with unique gem and semiprecious stone settings, carvings galore.

Perhaps the proudest export of the Guangdong branch is its range of beaded and sequined garments. An official says: "We call it our Number One product."

**The Great Wall Sheraton Hotel Beijing**

*The beauty of Sheraton Hotels is their location of the heart of China's great gateway cities Beijing, Shanghai and Hong Kong. Where the history and culture are a lifestyle apart. Offering you the highest standard of service and accommodation in a fascinating region. That's the beauty of Sheraton.*

**Sheraton**  
The Hospitality People of the World

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Vol.	High	Low	Last	Chg.
4228	157 1/2	157 1/4	157 1/4	+ 1/4
1871	157 1/4	157 1/4	157 1/4	0
1510	157 1/4	157 1/4	157 1/4	0
1510	157 1/4	157 1/4	157 1/4	0
1510	157 1/4	157 1/4	157 1/4	0
1510	157 1/4	157 1/4	157 1/4	0
1510	157 1/4	157 1/4	157 1/4	0
1510	157 1/4	157 1/4	157 1/4	0
1510	157 1/4	157 1/4	157 1/4	0
1510	157 1/4	157 1/4	157 1/4	0

NYSE 4 a.m. volume	18,427,000
NYSE prv. cons. close	18,427,000
NYSE 4 p.m. volume	18,427,000
NYSE prv. cons. close	18,427,000
NYSE 4 a.m. volume	18,427,000
NYSE prv. cons. close	18,427,000
NYSE 4 p.m. volume	18,427,000
NYSE prv. cons. close	18,427,000
NYSE 4 a.m. volume	18,427,000
NYSE prv. cons. close	18,427,000

High	Low	Close	Chg.
117.17	117.00	117.00	-0.17
117.17	117.00	117.00	-0.17
117.17	117.00	117.00	-0.17
117.17	117.00	117.00	-0.17
117.17	117.00	117.00	-0.17

**Monday's NYSE Closing**  
Via The Associated Press

Close	Prev.
4.15	4.15
4.15	4.15
4.15	4.15
4.15	4.15
4.15	4.15

Close	Chg.	Week	Year
117.17	-0.17	117.17	117.17
117.17	-0.17	117.17	117.17
117.17	-0.17	117.17	117.17
117.17	-0.17	117.17	117.17
117.17	-0.17	117.17	117.17

Vol.	High	Low	Last	Chg.
1510	157 1/4	157 1/4	157 1/4	0
1510	157 1/4	157 1/4	157 1/4	0
1510	157 1/4	157 1/4	157 1/4	0
1510	157 1/4	157 1/4	157 1/4	0
1510	157 1/4	157 1/4	157 1/4	0

Close	Chg.
117.17	-0.17
117.17	-0.17
117.17	-0.17
117.17	-0.17
117.17	-0.17

Close	Prev.
4.15	4.15
4.15	4.15
4.15	4.15
4.15	4.15
4.15	4.15

Oct. 9	Oct. 10	Oct. 11	Oct. 12	Oct. 13
117.17	117.17	117.17	117.17	117.17
117.17	117.17	117.17	117.17	117.17
117.17	117.17	117.17	117.17	117.17
117.17	117.17	117.17	117.17	117.17
117.17	117.17	117.17	117.17	117.17

Open	High	Low	Last	Chg.
117.17	117.17	117.17	117.17	-0.17
117.17	117.17	117.17	117.17	-0.17
117.17	117.17	117.17	117.17	-0.17
117.17	117.17	117.17	117.17	-0.17
117.17	117.17	117.17	117.17	-0.17

High	Low	Close	Chg.
117.17	117.17	117.17	-0.17
117.17	117.17	117.17	-0.17
117.17	117.17	117.17	-0.17
117.17	117.17	117.17	-0.17
117.17	117.17	117.17	-0.17

Close	Prev.
4.15	4.15
4.15	4.15
4.15	4.15
4.15	4.15
4.15	4.15

High	Low	Close	Chg.
117.17	117.17	117.17	-0.17
117.17	117.17	117.17	-0.17
117.17	117.17	117.17	-0.17
117.17	117.17	117.17	-0.17
117.17	117.17	117.17	-0.17

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

# NYSE Dips in Sluggish Trading

**United Press International**  
**NEW YORK** — Prices on the New York Stock Exchange closed lower Monday but a late rally cut some of the session's steepest losses. Trading was sluggish as some investors stayed home for the Columbus Day holiday.

The Dow Jones industrial average fell 10.77 points to close at 2,471.44, after having been off by more than 38 points during the day.

Losers led gainers by more than 3-1 among the NYSE issues traded.

Volume fell to about 141.87 million shares from 158.31 million on Friday.

Analysts said worries about rising interest rates, underlined by weakness in bond futures, depressed prices all day until futures-related buying kicked in during the last hour and a half of trading. Cautiousness before Wednesday's release of U.S. trade data for August also had a dampening effect.

"The trading desk woke up when the buy programs hit," said one trader, referring to the computer programs that seek to take advantage of variations between stock and futures prices. The buying erased a 38-point deficit in the Dow and momentarily gave the blue-chip barometer a gain of several points. Last-minute selling erased the gain.

Robert Rimer, a technical analyst with L.F. Rothschild Holdings Inc., said the market reacted to its "deeply oversold" condition with its "first really decent rally in a while." He said buying should continue for the next few days as

the market extends its overall pattern of consolidation.

Economists predict that Wednesday's data will show that the U.S. merchandise trade deficit for August narrowed to about \$14.5 billion from \$16.5 billion in July.

A smaller-than-expected deficit could boost the dollar, alleviating some of the need for the Federal Reserve Board to support the U.S. currency with a policy of higher interest rates. This could take some of the upward pressure off interest rates and relieve some of the concerns about rising rates that have been weakening stock prices since late August.

Glaxo Holdings PLC was the most active NYSE-listed issue, falling 4 1/2 to 23 1/2. Its pretax profit for the year ended June 30 rose but failed to meet analysts' expectations.

International Business Machines followed, rising 2 1/4 to 149 1/2 in a late rally. IBM is expected to report its third-quarter earnings Tuesday. Advanced Micro Devices was third, falling 2 1/2 to 19 1/2; its third-quarter loss after a one-time charge was bigger than expected.

Despite news that the industry's September billings reached their highest level in three years, some semiconductor issues weakened. Motorola fell 1 1/2 to 65 1/2 and Texas Instruments eased 1/4 to 75 1/2.

U.S. Leasing International soared 1 1/2 to 67 1/2. It agreed to be bought by Ford Motor through a \$68-a-share tender offer.

12 Month High	Low	Stock	Div.	Yld.	PE	52 Wk High	52 Wk Low	Close	Chg.	Vol.
117.17	117.17	117.17						117.17	-0.17	1510
117.17	117.17	117.17						117.17	-0.17	1510
117.17	117.17	117.17						117.17	-0.17	1510
117.17	117.17	117.17						117.17	-0.17	1510
117.17	117.17	117.17						117.17	-0.17	1510

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117.17	117.17	117.17						117.17	-0.17	1510
117.17	117.17	117.17						117.17	-0.17	1510
117.17	117.17	117.17						117.17	-0.17	1510

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117.17	117.17	117.17						117.17	-0.17	1510
117.17	117.17	117.17						117.17	-0.17	1510
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12 Month High	Low	Stock	Div.	Yld.	PE	52 Wk High	52 Wk Low	Close	Chg.	Vol.
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117.17	117.17	117.17						117.17	-0.17	1510
117.17	117.17	117.17						117.17	-0.17	1510
117.17	117.17	117.17						117.17	-0.17	1510
117.17	117.17	117.17						117.17	-0.17	1510

**INTERNATIONAL**  
As Second Increase...

**Exchange Rates**

**Other Dollar Values**

**Forward Rates**

**Interest**

**Key Money Rates**

copy material



كلمة اليوم

DAI-ICHI KANGYO BANK (LUXEMBOURG) S.A. Universal banking in Luxembourg.

INTERNATIONAL STOCK MARKETS

As Second Marché Listings Increase, So Do the Pitfalls

By JACQUES NEHER Special to the Herald Tribune PARIS—Investors hungry for new issues should get a full belly this fall on the Second Marché, the French version of the U.S. over-the-counter market.

"There could even be some failures" among future listings, a Bourse official said.

THE SECOND Marché index stood at 197.4 on Friday, down 25 percent from a high of 263.5 on May 7. That drop was twice as severe as the decline in the official Réglement Mensuel market in the same period.

Currency Rates

Table with columns: Cross Rates, Other Dollar Values, Forward Rates. Lists various currencies and their exchange rates.

Interest Rates

Table with columns: Eurocurrency Deposits, Key Money Rates, Asian Dollar Deposits, U.S. Money Market Funds. Lists interest rates for various financial instruments.

Gold

Table with columns: Gold prices in London, Hong Kong, and other locations.

U.S. Airline Hub System Under Pressure

Critics Say It Causes Delays, Limits Choice



Overcrowding at Denver's Stapleton airport, top and below, one of 12 or so U.S. hubs.

By Agis Salpukas New York Times Service MINNEAPOLIS — Gerri Muzdzinski, a ticket agent for Northwest Airlines at Minneapolis-St. Paul International Airport, hunched over the counter and worked quickly to board passengers on a flight to Newark, New Jersey, due to leave in 20 minutes.

Such nerve-racking scenes have become commonplace at the dozen or so major airports that have emerged as the centers of the U.S. airline system.

Salomon to Cut 800 Jobs, Phase Out 3 Businesses

Compiled by Our Staff From Dispatches NEW YORK — Salomon Inc., the largest U.S. investment banking firm, said Monday that it would eliminate about 800 jobs and phase out its involvement in municipal bonds, which it once dominated, and other businesses.

Salomon was for years the biggest underwriter of municipal bonds. But the business has become unattractive because of an invasion by commercial banks, which offer the same service at a lower price, said Perrin Long, an analyst for Lipper Analytical Securities Corp.

Saudi Interest in Exxon Unit Reported

Kingdom Seeks Stake in European Refineries, Sources Say

NEW YORK — Saudi Arabia has approached Exxon Corp. about buying a stake in the company's European oil refining and marketing operations, industry sources said Monday.

One analyst with close ties to the Saudi authorities said: "There are now people in the Saudi picture who have pushed this thing pretty far, and they are going to do something, if not with Exxon, then with someone else."

Industry analysts estimate that Exxon's European refineries, which account for about one-third of its sales of refined products, are worth more than \$5 billion.

Japan's Surplus In Trade Grew In September

Compiled by Our Staff From Dispatches TOKYO — Japan posted a \$7.43 billion merchandise trade surplus in September, wider than the \$5.15 billion in August but narrower than a year earlier, the Finance Ministry said Monday.

DM Bond Market in London Perplexed by New Tax Plan

Compiled by Our Staff From Dispatches LONDON — Dealers in Deutsche mark securities in London remained perplexed on Monday as to how the proposed 10 percent withholding tax on investment earnings on mark instruments would affect the market there.

Advertisement for IFI (Istituto Finanziario Industriale) featuring the text 'Payment of dividend' and 'The ordinary general meeting of shareholders held in Torino on September 25, 1987 approved the financial statements for the fiscal year ended March 31, 1987.'

Advertisement for Audemars Piguet Chronograph watches, featuring the text 'THE AUDEMARS PIGUET CHRONOGRAPH. INSTANTLY RECOGNISABLE.' and an image of a watch.



**BUSINESS ROUNDUP**

**Disappointing Profit Hits Glaxo Shares**

**Reuters**  
**LONDON** — Shares of Glaxo PLC tumbled Monday, after the London stock exchange closed with a disappointing lower-than-expected profit.

Shares of Glaxo PLC tumbled Monday, after the London stock exchange closed with a disappointing lower-than-expected profit. The announcement of the results pushed Glaxo shares down by 88 pence immediately to 1,609 on the London Stock Exchange. They fell further to close at 1,556.25, down 141 pence, or 8 percent, from Friday's close.

The Financial Times Stock Exchange 100-share index fell 7 points to 2,344.8 immediately after Glaxo's announcement and continued to decline, closing at 2,338.5, down 28 points from 2,366.5 on Friday.

**Towers Seeks Lehman's Aid as It Weighs Stake in Pan Am**

**Reuters**  
**NEW YORK** — Towers Financial Corp. said Monday that it had approached Pan American Airways with a plan to restructure the carrier and that it was seeking support from John F. Lehman Jr., the former U.S. Navy secretary and Hoffman's partner in the insurance and financial company, said that Towers's intention was "serious but friendly" that the plan would be presented to Pan Am's board of directors, management and unions.

A group of unions representing about 17,000 Pan Am employees has offered to give up \$180 million a year in wage concessions to an investor seeking to restructure the company. The move by Towers follows reports last week that Kirk Kirkorian, the financier who heads MGM-UA Communications Co., was seeking a way to gain control of Pan Am.

The airline posted a loss of \$463 million in 1986 but is hoping to return to profitability this year. In an interview, Mr. Hoffman said that Mr. Lehman had indicated that he would work with Towers if support for its plan could be secured from Pan Am's board, unions and management as well as the financial community.

**Maxwell Plans European Daily**

**The Associated Press**  
**PARIS** — Robert Maxwell, a British publisher, announced Monday to establish an English-language daily newspaper that would be published in Paris and possibly in the United States or Canada. The paper, in tabloid format, would begin appearing by Jan. 1989, Mr. Maxwell said. He indicated that he would now a formula used by USA Today and print a country-by-country summary of major news. He said one-third of the paper would consist of news editorials from European newspapers and two-thirds would be produced by a staff of 150 in Paris. He said the paper would not compete directly with other English-language publications such as the Financial Times.

**MARCHE: French Issues Surge**

(Continued from first finance page)  
of their capital, compared with 25 percent to enter the Règlement Mensuel market or the Comptant cash market. The latest wave of new-issue excitement on the Second Marché began in April, when five companies issued stock for the first time. The pace accelerated in May, with 13 issues. In June, 16 companies rushed to squeeze in before the vacation season.

Among the springtime batch were two enterprises privatized by the French government: Banque Industrielle & Mobilière Privée and TFI, the country's largest television network. Other notable entries included Botrol, a pharmaceutical maker; Lectra-Sycomex, a computer concern; and Commanche Electronique, a software company. September's new issues included Société Concept, a computer soft-

**With Chairman Werthen, It's Electrolux to the Rescue**

**Reuters**  
**STOCKHOLM** — If records were kept for arranging company takeovers, Hans Werthen, chairman of Electrolux AB of Sweden, would be high on the list. In the 20 years he has been with Electrolux, Mr. Werthen has turned it from a struggling electrical goods maker that was itself a takeover candidate into Sweden's second-largest industrial group after AB Volvo and the owner of 400 companies in 40 countries. "You don't always choose your acquisitions, you have to take them when they are available," he explained.

Electrolux is known for its policy of taking over companies in financial difficulty and making them profitable. Zanussi SpA of Italy is one recent example. Taken on in 1984 despite heavy restructuring costs, the unit made a modest profit in 1986 and should show even better results next year, Mr. Werthen said. Last year, Electrolux clinched the biggest acquisition by a Swedish company when it bought White Consolidated Industries, the third-largest American maker of household appliances. Mr. Werthen acknowledges that the \$773 million price tag was high. But he says the market can only continue to grow. "Refrigerators and cookers keep getting bigger, especially in the United States," he

said. "We get away with the gamble because we make products which are needed more and more." The group's revenue has nearly doubled in the past four years to an expected 67 billion kronor (\$10.5 billion) in 1987, although profits, soaked up by expansion, remain static. Profit last year was the equivalent of about \$400 million, unchanged from 1985, although in the first half of this year net rose 12 percent to 1.5 billion kronor, or about \$235 million, from the like 1986 period. Electrolux's balance sheet would give U.S. finance directors sleepless nights. "We're so poor we have to buy struggling firms because we can't afford successful ones," Mr. Werthen said with a grin. But he added that he is satisfied with an equity-to-assets ratio of around 25 percent. He said it is a fair price to pay for gaining market share. Mr. Werthen stresses not only geographical dominance, but also aims to exploit the trend for fitted kitchens, in which customers buy everything from appliances to furniture from one supplier. "Fitted kitchens are the growth sector of the future," Mr. Werthen said, adding that "all the parts must be in harmony. It's like a beautiful girl's teeth — one missing tooth spoils the whole effect." With Electrolux holding a quarter of the

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B - MULTICURRENCY "CASH"	\$10.09
C - DOLLAR BONDS	\$12.21
D - MULTICURRENCY BONDS	\$15.83
E - STERLING BONDS	\$11.72
F - DEUTSCHMARK BONDS	\$10.18
G - YEN BONDS	¥105.60
H - ECU BONDS	ECU10.26
I - STERLING EQUITY	\$13.53
M - U.S. EQUITIES	\$14.86
N - JAPANESE EQUITIES	¥126.33
O - GLOBAL EQUITIES	\$13.08
X - STERLING "CASH"	\$10.47
Z - GOLD	\$11.30

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**Chemical Bank Eliminates 170 U.K. Jobs**

**Reuters**  
**LONDON** — Chemical Bank New York Corp. said Monday that it would eliminate 170 of the 950 jobs at its British unit, or 18 percent, under a global restructuring plan. It said the cutbacks will "center on areas of commercial banking which are being de-emphasized, a more focused approach to securities activities, and a rationalization of operational support." A spokesman for Chemical said, "Virtually every area of the bank is affected to some degree." Chemical, the fourth-largest U.S. banking company, said Sept. 14 that it would cut its worldwide staff by 10 percent, or about 2,100 people, and sell some businesses to strengthen its performance. Eurobond dealers at other houses said that Chemical was reducing its staff of 28 Eurobond traders to just eight. But the Chemical spokesman said that a breakdown of the cut-

backs was not available. He added that the bank would continue to make markets in Eurobonds. The parent company said last month that it would take a one-time third-quarter charge of about \$135 million to cover severance pay and related expenses, resulting in a quarterly loss of \$65 million, compared with profit of \$99.1 million in the 1986 period. It predicted the global staff reductions would result in pretax gains of about \$150 million a year.

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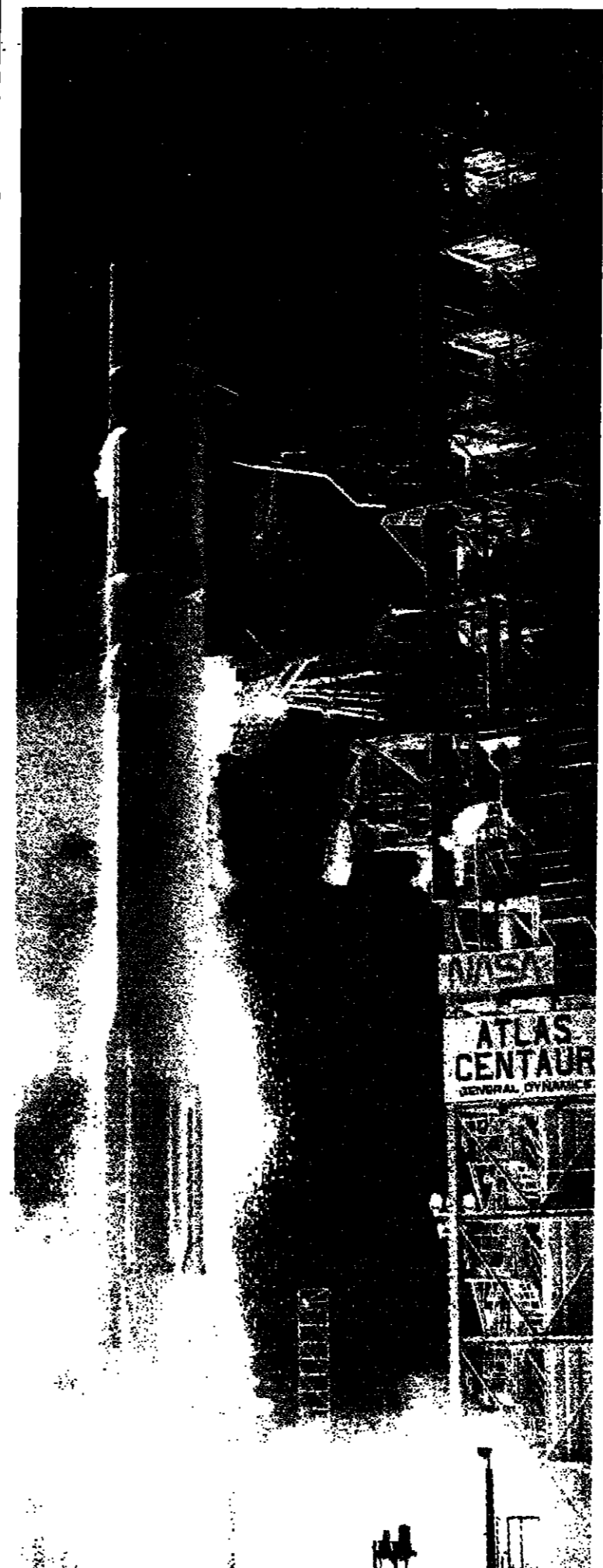
**BANQUE INTERNATIONALE POUR L'AFRIQUE OCCIDENTALE**  
**U.S. \$10,000,000 floating rates notes 1982/1988**  
 The rate of interest applicable to the interest period from 9 October 87 up to 11 April 88 as determined by the reference agent is 9 percent per annum, namely U.S. \$46.25 per note of U.S. \$1,000.

The Quarterly Report as of 30 th June 1987 has been published and may be obtained from:  
 Pierson, Helderling & Pierson NV.  
 Herengracht 214, 1016 BS Amsterdam.  
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### Monday's **AMEX** Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.  
Via The Associated Press

12 Month High Low			Div. Yld. PE			52 High Low			Close		
Stock	Div.	Yld.	PE	Stock	Div.	Yld.	PE	Stock	Div.	Yld.	PE

12 Month High Low			Div. Yld. PE			52 High Low			Close		
Stock	Div.	Yld.	PE	Stock	Div.	Yld.	PE	Stock	Div.	Yld.	PE

12 Month High Low			Div. Yld. PE			52 High Low			Close		
Stock	Div.	Yld.	PE	Stock	Div.	Yld.	PE	Stock	Div.	Yld.	PE

12 Month High Low			Div. Yld. PE			52 High Low			Close		
Stock	Div.	Yld.	PE	Stock	Div.	Yld.	PE	Stock	Div.	Yld.	PE

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NEW HIGH 5			NEW LOW 47		
Company	Price	Change	Company	Price	Change
Amgen	115 1/8	+ 1/8	Amgen	115 1/8	+ 1/8
Amgen	115 1/8	+ 1/8	Amgen	115 1/8	+ 1/8
Amgen	115 1/8	+ 1/8	Amgen	115 1/8	+ 1/8

Floating-Rate Notes		Dollars		Foreign Exchange	
Company	Rate	Company	Rate	Company	Rate
Bank of Montreal	3.00%	Amgen	115 1/8	Amgen	115 1/8
Bank of Montreal	3.00%	Amgen	115 1/8	Amgen	115 1/8
Bank of Montreal	3.00%	Amgen	115 1/8	Amgen	115 1/8

CURRENCY MARKETS

Dollar Lower Ahead of Trade Data

LONDON — The dollar closed slightly lower in Europe on Monday, with traders reluctant to act ahead of Wednesday's U.S. trade data for August.

London Dollar Rates table with columns for Currency, Bid, and Ask prices.

Feldstein said that the dollar would have to fall 30 percent in the next five years for the United States to erase its trade deficit.

Argentina Sets Bank Holiday, Fiscal Reforms

BUENOS AIRES — Argentina has decreed that banks and other financial institutions should close Tuesday and Wednesday, a central bank spokesman said Monday.

HUBS: U.S. Air System Causes Delays, Limits Customers' Choice, Critics Say

(Continued from first finance page) tion point, or hub, in each region they serve.

Service At 30,000 Feet

Number of consumer complaints received per 100,000 airline passengers carried in 1987, according to the Transportation Department.

Table showing service complaints per 100,000 passengers for various airlines like Continental, Northwest, Eastern, etc.

ground to load bags, cargo and thousands of passengers. "We've created a real beast with this thing," he said, referring to the hub approach.

Stamp Tax Expected to Hurt Japan's New CP Market in Yen

TOKYO — The chances of success for Japan's commercial paper market in yen, expected to be launched next month, will be badly hurt by a recent Finance Ministry decision to place heavy graduated stamp duties on such notes, according to many bond managers.

years of talks on its design, issue and trading methods were meant to create a liquid secondary market.

However, despite their doubts, banks and brokerages are already seeking orders from companies for CP issues.

However, a ministry official said that under current law, stamp duty must be charged on CP issues. "If market concern over the stamp duty becomes serious, it could be reviewed in the 1988 tax reform," he said.

Monday's OTC Prices NASDAQ prices as of 4 p.m. New York time. Via The Associated Press.

Large table of OTC stock prices with columns for stock name, price, and change.

Not surprisingly, serious questions have been raised about whether airline deregulation was such a good idea after all.

handlers to pilots, have doubts that the system is working.

When the airline industry was deregulated in 1978, proponents predicted that a number of new airlines would be created.

Higher Earnings Seen for U.S. Airlines While most carriers will benefit, Texas Air continues to have problems.

Small OTC price snippet.

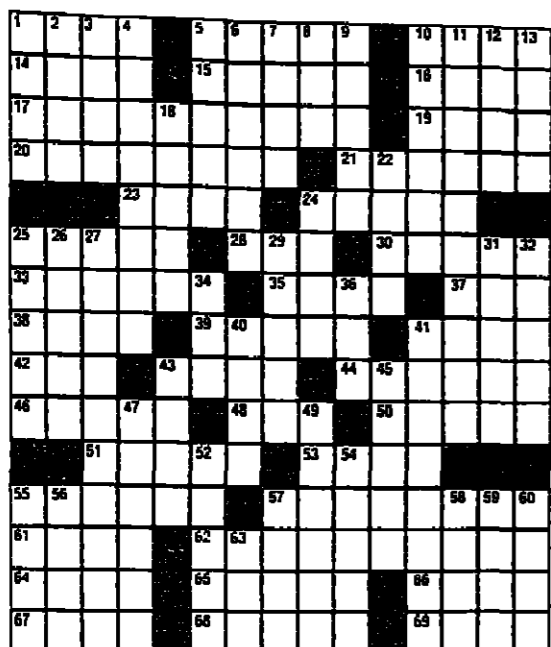
Small table of OTC stock prices.

Small table of OTC stock prices.

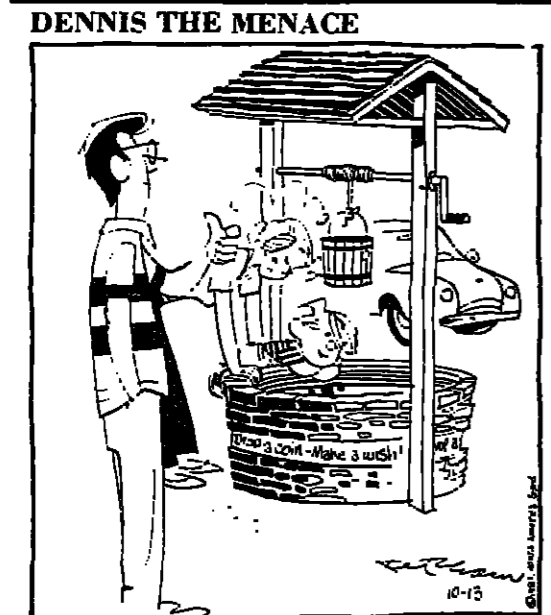
Small table of OTC stock prices.

Small table of OTC stock prices.

Small table of OTC stock prices.



- Crossword puzzle clues: ACROSS 1 To a distance, 2 Fragrance, 3 Rosemary, e.g., 4 Come in second, 15 A narrows of silents, 16 Foot for Scott Hamilton, 17 Vex, 19 Here Hannibal was defeated, 20 International merchant, 21 Tap, 23 A memorable coward, 24 Swindle, 25 "An—" Rhapsody, Ward, 28 A Caroline island, 30 "The Reason": Paine, 33 Music group, 35 German playwright, 37 Regret, 38 "Off the Court" author, 39 Jet set, 41 Surfjet, 42 Jazzman, 43 Winding, "York" Hamlet.



DENNIS THE MENACE

JUMBLE THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee. Includes a grid of letters and instructions to unscramble words.

TENIL, UNGLE, PUCHIC, COABEN. Puzzles with letter grids and instructions.

WEATHER

Weather forecast table for Europe, Asia, Africa, Latin America, North America, Middle East, and Oceania. Includes high/low temperatures and conditions.

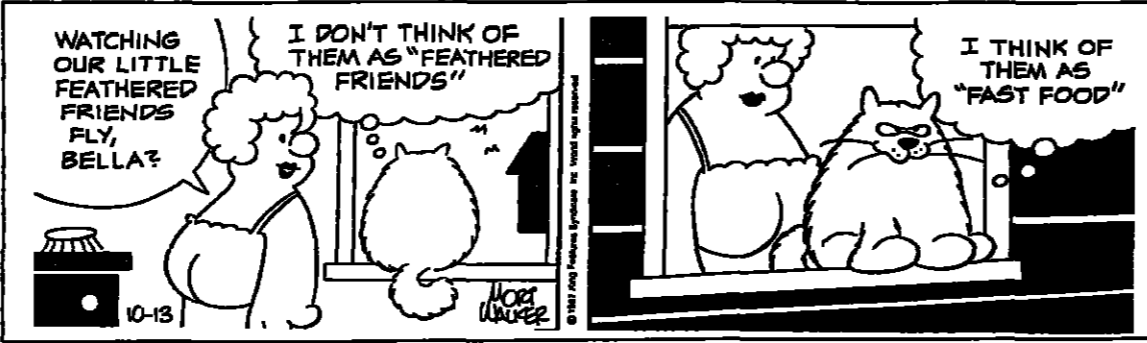
PEANUTS



BLONDIE



BEEBLE BAILEY



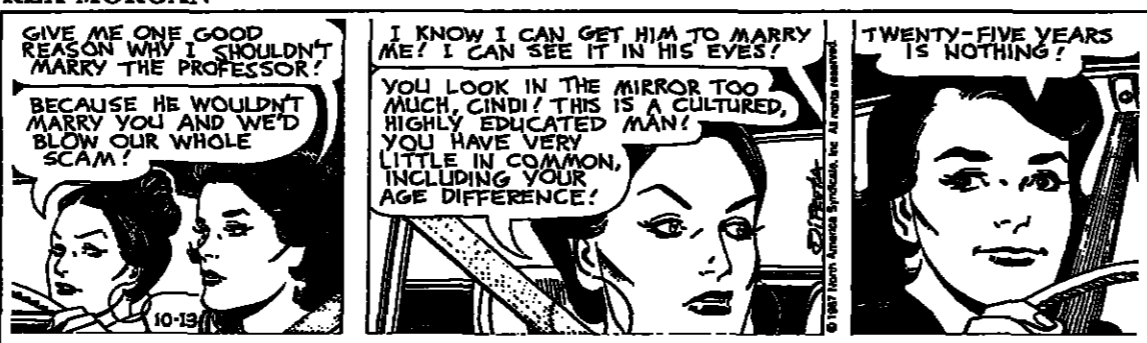
ANDY CAPP



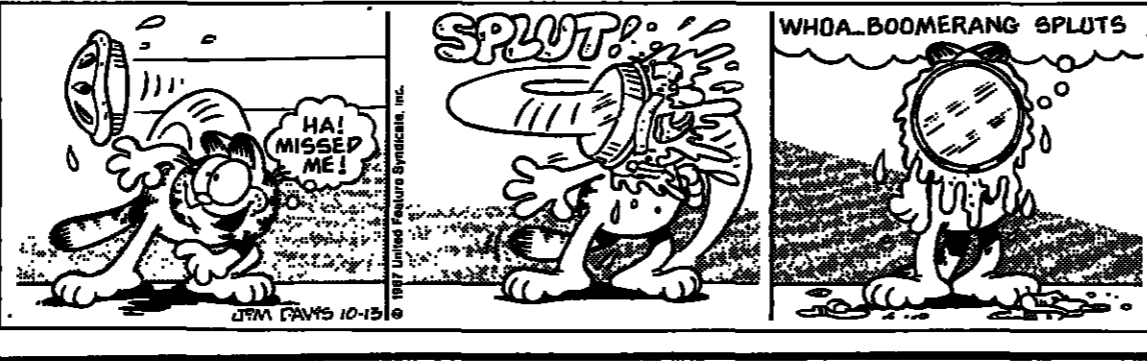
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GARFIELD



World Stock Markets

Table of world stock market closing prices for various cities including Amsterdam, London, Paris, Frankfurt, Zurich, and Tokyo.

BOOKS

JONAS SAVIMBI: A Key to Africa

By Fred Bridgland. 512 pages. \$21.95. Paragon House Publishers, 2 Hammar-skjold Plaza, New York, N.Y. 10017.

Reviewed by John Keegan

THE part of Africa to which Jonas Savimbi is "key" is the southwestern territory of Angola, for five centuries a Portuguese colony until it became independent in November 1975. It is an enormous country, bounded on the west by the Atlantic, on the north by Zaire, on the east by Zambia and on the south by Botswana and the South African-controlled territory of Namibia.

Those totals have since been diminished, for Portugal's departure from Angola turned the independence campaign into a violent civil war. Like most wars in Africa, the Angolan is deeply tribal, but it has also taken on ideological ballast. The victors of the independence struggle, the Popular Movement for the Liberation of Angola (MPLA), drew heavily for its membership on the "assimilated" Africans of the north. They have adopted Marxism and are supported by the Soviet Union, which finances a surrogate army of Cubans under their colors.

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Savimbi's motivation is ambiguous. John Stockwell, by Bridgland's account once re-

Solution to Previous Puzzle: EBRO, FALSE, BALK, DEUX, OMAHA, ALAI, ITSU, UPPERCRUST, THE GIRLS, WARMTH, ESSE, RICE, PEANUT, SIGHTGAG, ALL PAPA, ETAGE, NAOT, REINS, EBAN, ETONS, ONTOP, ORE, LEFTWING, BEARDS, EENY, MRED.

CHESS

By Robert Byrne

LEV Alburt of New York recently won the 1987 United States Open Championship, held at the Hilton Hotel in Portland, Oregon. A sly amalgam of tactical and positional play enabled Alburt to dispose of his most dangerous rival, the Berkeley, California grandmaster Walter Browne, in the 11th round. Alburt has a penchant for opposing the Benoni Defense with a fianchetto of his king bishop, although this had not had a particularly good reputation and has lately undergone one failure after another.

White played the Benoni Defense with a fianchetto of his king bishop, although this had not had a particularly good reputation and has lately undergone one failure after another. But Alburt came to this game prepared with something new. Through 11... Q-B2, he played the following his ill-fated game against Johann Hjartarson in Philadelphia last year, but instead of 12 N-Q2, he now tried the subtle 12 B-B1?

With 13 P-R3, he excluded any later possibility of Black's repositioning his king knight with... N-N5 and... N/5-K4. Meanwhile, Browne could not develop with 13... N-B4, would lose a tempo after 14 N-Q2. Alburt's precise move order was inhibiting Browne from achieving Black's normal counterplay. Thus after 14 P-K4, Browne could not play 14... P-QN4? because 15 PxP, 16 N-Q4, P-N5; 17 N/3-N5! Q-B4; 18 N-R7! N-QP7; 19 N/4-B6! would cost Black decisive material.

Long-Bond Yield Flirts

With 10% in London

LONDON — The U.S. Treasury market hovered near its low point in nearly two years on Monday, after downward pressure on prices brought the yield on the 8% percent 30-year benchmark bond briefly to 10 percent, dealers said. However, thin market activity, dampened by the federal Columbus Day holiday in the New York cash market, encouraged dealers to believe that the market would be unable to cross the 10 percent barrier until normal trading resumed on Tuesday. "There's no real direction without New York, unless we see a downward thrust from the Chicago" futures market, one dealer said. Dealers said the bond yield touched 10 percent at a price of

Table of bond yields and market indices for various locations including London, Zurich, and Tokyo.

Twin- Win. 2-5. to Take AL- Playoff

responsible for the CIA's Angola Task Force. is quoted as alleging that Savimbi "believes in nothing beyond his own selfish ambitions." Savimbi, on the other hand, claims that he represents an African alternative to Marxist-Leninist liberation theory.

Savimbi belongs to the "assimilated" class that provides the leadership for his opponents, that is highly educated, the graduate of a Swiss university and a fluent exponent of Western political ideas. Nevertheless, he hated the Portuguese as fiercely as any Marxist freedom fighter and, but for the kindnesses of a Portuguese teacher and a Brazilian missionary, would have equally hated all whites.

Because he decided in youth that all whites are not bad, he has been able to accept help from the United States and even from South Africa — without which, by any objective reckoning, his movement would not have survived. As it is, the artful in the country and the poorest and least popular of the most than his prospects of doing anything more than denying possession of it to the MPLA must now be judged highly doubtful.

Why, then, does Bridgland reckon him a "key to Africa"? The answer, one suspects, is "key" to the part of the continent where Bridgland has spent so much of his reporting life. Savimbi, for all his intelligence, would have flickered out like a glow worm in the Angolan dusk but for South Africa's support. That he survives is a tribute to the extraordinary power that two million Afrikaners continue to exert in the black continent and the skill with which they project it far beyond their border.

Bridgland's book has defects separate from his addition to its central subject. First among them is a failure to explain to the reader where Angola is, the nature of the war being waged there and why an intelligent Western reader should take an interest in its outcome. Second is the absence of any apparent concern to construct a comprehensible narrative. Bridgland, who no doubt is an excellent reporter, is an abysmal biographer, prolix, rambling, repetitive, inconsequential and apparently incapable of putting his hero into perspective.

This is a pity, because Savimbi is an interesting figure — but only insofar as he is represented within the context of the "South African connection." It is South Africa that is the "key" to the part of the continent where Bridgland has spent so much of his reporting life. Savimbi, for all his intelligence, would have flickered out like a glow worm in the Angolan dusk but for South Africa's support. That he survives is a tribute to the extraordinary power that two million Afrikaners continue to exert in the black continent and the skill with which they project it far beyond their border.

John Keegan, author of "The Face of Battle" and "Six Armies in Normandy," is defense correspondent of the Daily Telegraph of London. He wrote this for The Washington Post.

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Chessboard

Chessboard diagram showing a chess position after 18 moves.

SCOREBOARD

Table of sports scores and results for various events.

Handwritten signature or note at the bottom of the page.

SPORTS

Twins Win, 9-5, to Take AL's Playoff

Compiled by Our Staff From Dispatches
DETROIT — The Minnesota Twins, the pasties of the West Division of the American League last season, Monday gained major league baseball's World Series for the first time in 22 years by beating the Detroit Tigers, 9-5, as Tom Brunansky hit a home run and a two-run double.

The Twins had taken a 3-1 lead in the playoffs by beating the Tigers, 5-3, Sunday night.

In capturing the AL playoffs, four games to one, the Twins won two of three games at the postcard stadium during the majors this season. They finished 85-77 for the year and joined the 1973 New York Mets as the only division winners with fewer than 90 victories to advance to a World Series.

Minnesota will open the series at home Saturday night against the National League champion.

The Twins, beaten by the Los Angeles Dodgers in seven games in the 1965 World Series, finished 71-71 last season, when Tom Kelly replaced Ray Miller as manager with 23 games remaining, and was sixth in the AL West.

"They beat up on us in every direction," said Detroit's manager, Sparky Anderson. His Tigers posted a baseball's best record, 98-64, and dropped two of three playoff games at home after losing the first two games at the Metrodome in Minneapolis.

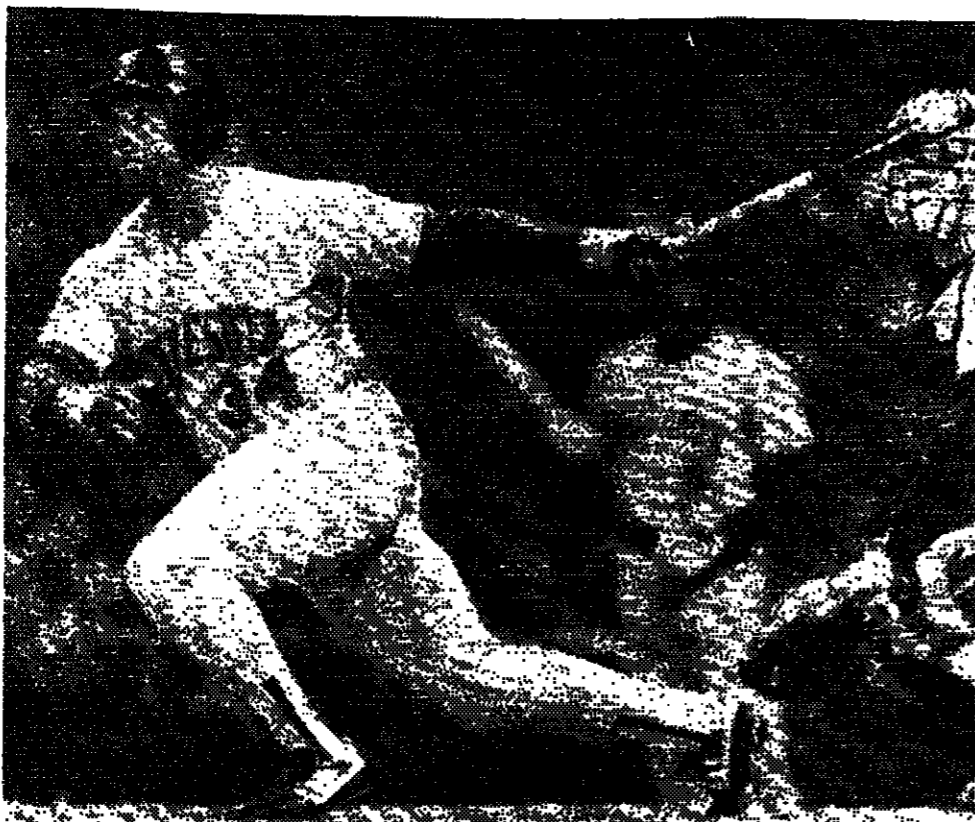
The remarkable one-year turnaround continued Monday before a Tiger Stadium crowd of 47,448 as the Twins took a 4-0 lead, then scored five insurance runs after the Tigers got three runs in the fourth.

Close to 4-3, Bert Blyleven pitched six innings for his second victory of the playoffs, giving up two runs, before Dan Schatzeder came on to start the seventh.

A former Tiger, man Benerger, taking his fourth appearance of the playoffs, yielded Chet Lemon's w-out, bases-empty homer in the eighth to make it 6-4 before Jeff Leonard finished for his second.

Johnny Grubb singled to ring up the tying run in the eighth off Pat Sheridan, who won the third game with a two-run homer if Reardon in the eighth, lined out left fielder Dan Gladden.

Veteran Darrell Evans, the goat of Sunday night's game, said afterward that debate he was "in shock, on out" figure that's going to happen. "It's probably the only thing I didn't think could happen



Kirby Puckett broke a 2-for-13 slump with a third-inning homer that tied Sunday's game, 1-1.

the whole time I was at third base." It was bad enough that Evans was picked off third with only one out in the sixth inning, but circumstances grew worse when he had to play third base for only the second time since June 20 — and failed to field two grounders that should have become outs.

"You want to dig a hole and bury yourself," said Evans, 40, "but you can't do that."

The Tigers entered the bottom of the sixth down 4-2, but quickly scored a run on three successive singles by Chet Lemon and Evans against Frank Viola and by Dave Bergman, a pinch-hitter, against Keith Atherton. After Mike Heath sacrificed Bergman to second and Evans to third, Benerger, a right-hander, relieved Atherton.

Kelly, the Minnesota manager, called for Benerger because he wanted a strikeout for the second out, removing the possibility of a sacrifice fly that would be the game. But Benerger didn't need the strikeout.

While the pitching change was being made, third baseman Gaetti and catcher Lauderer talked. Gaetti, perhaps the best defensive third baseman in the league, said he might signal a pickoff play against Evans.

"We have a left-handed hitter up and a guy who likes to take a big lead," Gaetti told Lauderer. "Let's try it here."

"You don't know what's going to

happen," Gaetti said later. "He could throw the ball into left field. With two outs I wouldn't do it, but there was one. The hitter can't hit the ball, and the pitcher has to be where the catcher can handle it. You can't tip it off. The pitcher can't know."

Before Benerger's first pitch to Lou Whitaker, Gaetti gave Lauderer the sign. He also said to Joe Brinkman, the umpire, "Be alive."

Benerger's first pitch to the left-handed Whitaker was a forkball that dipped low and in. Evans, for an instant, thought the ball might skip away from the catcher.

"I wanted to get a good jump on a ground ball or have a chance to score if the ball's in the dirt," Evans said later, explaining his big lead. "I kind of hesitated because the ball was almost in the dirt. I was trying to read it. That's why I didn't get back right away. I would have liked to have been back another foot. Then I would've gotten back. He had a little trouble catching the ball, but when he did he came up throwing."

Evans desperately dove head-first back into the base, but Gaetti smoothly caught Lauderer's throw and tagged him on the back.

That left the Tigers with two out and a runner at second. Benerger then threw a wild pitch, enabling Bergman to move to third, and he walked Whitaker. The walk proved to be far more beneficial to the Twins than to the Tigers.

Jim Morrison, a right-handed hitter, was scheduled to bat, and it seemed that Anderson, Detroit's manager, might use one of his three left-handed hitters on the bench instead, most likely Johnny Grubb. But he let Morrison bat, and Morrison hit a fly to center for the third out.

Because Bergman had batted for Tom Brookers, Anderson needed a third baseman. He had two choices: put Morrison there and lose his designated hitter, forcing him to insert his pitcher in the batting order, or switching Evans from first to third and putting Bergman at first. He moved Evans to third where he had played in parts of only six games this season.

"I wasn't concerned," Anderson said. "I never worry about defense when I'm losing."

In the eighth inning, Evans bobbled Lauderer's one-out grounder, then failed to backhand a two-out grounder by Steve Lombardozzi that went for a single and increased Minnesota's lead to 5-3.

"I played there for 13 years," Evans said, refusing to make excuses. "I played there in the playoffs and the World Series in 1984. I haven't played there much since then, but I feel comfortable with the instincts there. I was just a little anxious. I was a little uncomfortable. I hurried a little on the two balls. I should've had them." (UPI/NTT)

Giants Move to Within 1 Victory of Pennant

By Joseph Durso
New York Times Service
SAN FRANCISCO — For a change, Jeffrey Leonard didn't hit a home run, but that was just about the only thing the San Francisco Giants didn't inflict on the St. Louis Cardinals Sunday as they won their second straight game and moved to within one victory of the National League pennant.

Three times, the Cardinals took the lead by one run. Three times, the Giants wiped it out — the third time by pounding Bob Forsch for four runs in the fourth inning. They cruised on to defeat the Cardinals, 6-3, behind five scoreless innings of relief pitching by Joe Price, and took the lead in the playoffs for the first time, three games to two.

Game 5 was a return match of the series opener, which Greg Mathews won over Rick Reuschel.

This time, they both got swung early. Vince Coleman opened the game by lining a double to left field, and the Cards promptly played for one sure run. They got it when Ozzie Smith bunted Coleman to third and Tommy Herr hit a sacrifice fly to left-center.

In the bottom of the inning, Robby Thompson led off with a walk and stole second. Kevin Mitchell singled down the left-field line,

and the Giants were even. For a left-hander, Mathews was having trouble holding runners on first base. With Leonard batting, Mitchell stole second, and the Giants had stolen four bases to two for the Cardinals, who stole 248 this season.

Mathews survived his first encounter with Leonard (four home runs in four games), who fled deep to center, but Mitchell tagged and took third. He was still there after Candy Maldonado took a third strike and Chili Davis fled out to center, where Willie McGee made a running catch.

Leonard a Hit as a Hard-Liner

By George Vecsey
New York Times Service
SAN FRANCISCO — Kevin Mitchell remembers the first time he met Jeffrey Leonard, long before Leonard became nationally famous as Hao-Man and Penitentiary Face, the man with the balletic stare who hit four home runs in the first four games of the National League playoff series.

It was the spring of 1986, two teams ago for Mitchell. He was a brash rookie, keeping the older New York Mets loose with his street talk. "One day I was running in the outfield before a game," Mitchell recalls. "I was wearing my headset, you know, and Jeffrey came over and said, 'Who is this rookie, running with a headset on?'"

"That's Jeffrey. That's his game. That's his psych."

Other rookies might have looked at the hard grincer from a long-termer, but Mitchell saw the giant behind the glare. "We're

from the same kind of neighborhood," Mitchell says. "We understand each other right away."

The Cardinals and the city of St. Louis do not appreciate the wit and wisdom of Leonard, who jogs out his homers like a parody of super-slow-mo replay.

But the touchy Cardinals and their stolid fans will have to endure another visit from the Giants and Jeffrey (don't call him Jeff) Leonard, who on Saturday set a playoff record with a home run in a fourth consecutive game.

Not bad for a man who testified in the Pittsburgh drug trial of 1985, learned to live "one day at a time" and saw enough troubles on the streets of West Philadelphia to make him a survivor long before he signed a professional contract.

Leonard, with his black wrap-up shirt (his teammates wear white) and his black undershirt for postgame conferences, is a perfect man for the Bay Area, where people are accustomed to

image and diversity and even a bit of stylish swagger.

In St. Louis and some other burgs around the league, this posture does not go over so well. Testy John Tudor, the Cardinals' Game 6 pitcher, has admitted, "I don't like him at all," and Terry Pendleton, a most gracious chap, says of Leonard's arrogant posture, "We don't do those things on the Cardinals."

To which Steve Marlin might say, "Excuse me," but to which Leonard says, "Let 'em wait." Which he did on Friday night, as he delayed his curtain call for his third homer until Joe Magrane was well into his delivery. That earned Leonard a pitch in the shoulder from Bob Forsch his next time up.

"I know it was done on purpose," Leonard said, promising to find the appropriate payback gesture.

He even intimidates his own teammates sometimes — the barbed remark here, the temporary cold shoulder there — but, says Mitchell, "You don't want him to be a little flower out there. He pumps me up."

Leonard does his pumping without fist-waving, back-slapping and team-mate-bugging. His style is a West Philadelphia stare, perhaps borrowed from an old Sonny Liston film clip. Asked what makes him so hard, Leonard smiled briefly and said: "Aw, man, there was so much, and it was so long ago."

Since escaping from the Houston Astros early in 1981, Leonard has hit 84 homers in his five full seasons, learning to focus his anger under Frank Robinson, the manager from 1981 through 1984. When Robinson was let go, Leonard appropriated his No. 20 as a tribute — until he went to No. 00 as a sign he was starting over after two operations.

After a great start this season, Leonard was hurt again, and slipped back into a platoon status. When right-handed Danny Cox could not pitch for the Cardinals in the playoff opener, Leonard got his chance — and Manager Roger Craig shelved his platooning plans.



Jeffrey Leonard: image, diversity and a bit of stylish swagger.

SCOREBOARD

Scoreboard section containing tables for Transition, Football, Baseball, CFL Standings, NFL Standings, Hockey, NHL Standings, Tennis, and European Soccer.

Playoff Summaries

Playoff Summaries table showing National League Game 5 (St. Louis vs San Francisco) and American League Game 4 (Minnesota vs Detroit).

Angry NFL Players Meet, but the Show Goes On

Compiled by Our Staff From Dispatches
ROSEMONT, Illinois — Striking National Football League players, their attempt to defuse the free agency issue rebuffed by the owners of the league's teams, met Monday

if their teams make it into postseason competition. But union officials vowed to remain solid.

"Management always underestimates our strength, and in this case, they underestimate player anger," Doug Allen, the assistant executive director of the NFL Players Association, said before the meeting.

"That anger means it's going to get uglier and it's going to get messier before it's over," Jack Donlan, executive director of the owners' management council, said Sunday that "I think they have overcommitted or overreached on any number of positions. We're at a roadblock."

While he blamed the impasse on the union's insistence on unrestricted free agency, union chief Gene Upshaw said the major stumbling blocks were management's demands for a six-year contract and its plan to change the 20-year-old pension system.

In an effort to adhere to the current system, the union had greatly altered its stance on free agency. According to its latest proposal, at the end of a player's contract the club could make a qualifying offer

to retain the player by guaranteeing 120 percent of the contract.

If the player received an offer from another club, the original team could match the contract or let the player go and receive compensation, which would be determined by the player's old salary.

On the field Sunday, the unusual became the usual because of the NFL's unusual circumstances.

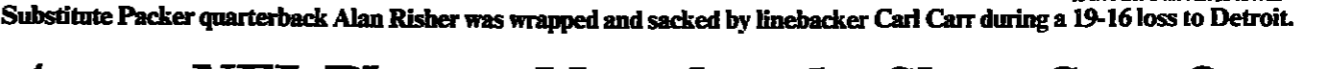
The second week of replacement football saw Indianapolis and Miami, usually two of the weakest defensive teams in ordinary games, post shutouts.

It saw Houston, which rarely wins on the road, get its second straight away victory. And New England, the worst rushing team in the league last season, ran over Buffalo.

I saw Tony Dorsett and Danny White, longtime Dallas Cowboy heroes, booted at Texas Stadium by a crowd of 40,622, the largest for any replacement game so far.

A total of 325,545 fans attended Sunday's games, an average of just more than 25,000 a game and more than 104,000 higher than the first strike Sunday's total.

In the day's late games: Rams 31, Steelers 21; in Ana-



Substitute Packer quarterback Alan Risher was wrappened and tackled by linebacker Carl Carr during a 19-16 loss to Detroit.

Playoff Schedule

Playoff Schedule table showing the National League Championship Series and American League Championship Series matchups.

ART BUCHWALD

A Franc-Dollar Duet

PARIS — The last time I saw Paris the tourists still controlled the main boulevards and sidewalk cafes. Americans were smiling and the French were glum. Unfortunately all this has changed. Now the French are smiling and the Americans are glum.



Buchwald

"What on earth went wrong?" I asked the doorman at my hotel. "Your dollar went soft and our franc went hard," he said.

Getty Museum Buys Ensor Work

LOS ANGELES — The J. Paul Getty Museum has purchased one of the key icons of modern painting, James Ensor's huge "The Entry of Christ into Brussels in 1889."

ing still. Nothing is moving. You see those cars out there in the street? They have been there since last Thursday.

"What's wrong?" "It's the hard franc. Everybody now has money to spend so all the French are trying to get to a store or a restaurant at the same time. They might be able to make it except the workers are on strike."

"Are they blocking the streets?" "No, the police are blocking the streets to prevent the workers from jamming them."

"Why are they protesting?" "They want more hard francs so they can be part of the traffic tie-up."

"I said to the doorman. 'I recall the days when the dollar was strong and every store had a sign, 'English Spoken Here.'"

"I remember that also," he said. "We even gave you discounts for your traveler's checks."

"And you sent our packages to the airplane as a courtesy."

The doorman said, "You Americans thought it would last forever."

"It would have if someone hadn't stomped all over the dollar. Tell me the truth, do the French respect us anymore?"

"They don't disrespect you. They ignore you. To them you are no better or worse than a Swedish tourist. Remember, there is nothing you can do for the French. They have everything."

I finally said, "There is more to life than hard currency, good living and gridlock."

"Why didn't you tell us that when the franc was soft?" "I need a taxi."

"Where are you going?" "To a fine French restaurant."

"What are you going to use for money?" "I have a credit card that permits me to charge up to \$2,000."

"That should do it if you don't order a fancy wine."

"Don't you worry about me," I said. "I know how to order a French meal. When I was here the last time I had the greatest dinner in the world at a bistro called Chez Bébé for \$25 a person."

"Bébé is no longer there."

"Where is he?" I asked. "He's out in the traffic, trying to take his mistress to Maxim's."

A Trouper With a Trace of Bitterness

By Aljean Harmetz New York Times Staff Writer KETCHUM, Idaho — Idaho is as far from Hollywood in fantasy as in geography. But it is to the mountains of Idaho that Ann Sothorn has retreated.



Ann Sothorn, now 75, at the piano in her Idaho home.

The 23-room house in Bel Air was sold long ago and the furniture scattered. At the age of 75, the deft comedienne from Hollywood's golden era travels light. "I don't want to own anything any more," she says, sitting in the living room of her rented house. "You reach a point when possessions possess you."

The hardest thing is to turn on the television set and watch herself run down the stairs in some half-forgotten movie. In 1974, on a stage in Jacksonville, Florida, a ceiling fell on her back, fracturing a lumbar vertebra and smashing the nerves in her legs. She finished the performance, of course, held together with silver gaffer's tape, before she began the years of hospitals and neurologists. She was always a trouper.

"I've done everything but play rodeos," she says, a stout woman with graying gold ringlets and the round face of a china kewpie doll. She may play rodeos yet. Thirteen years after the accident shattered her career, she has limped back into the movies — providing delight and comic relief in a film about old age and the possibility of optimism. In "The Whales of August," which stars Lillian Gish and Bette Davis, Sothorn is dimpled and mischievous, whether gossiping over tea about who has just bought a hearing aid, or flirting with Vincent Price while picking blueberries.

As ironic fate will have it, "The Whales of August" is part of the rediscovery of Ann Sothorn that began two years ago as a marketing play for a television movie based on Joseph Mankiewicz's 1949 film "A Letter to Three Wives," one of the few major movies in which she starred.

Wouldn't it be great, thought the producer, to get one of the original stars, Jeanne Crain or Ann Sothorn, to play a cameo role?

Coincidentally, the cable channel Nickelodeon bought the two television series Sothorn produced and started in during the 1950s, "Private Secretary" and "The Ann Sothorn Show." To Nickelodeon's surprise, the shows are among the most popular ever aired by the channel.

Then the remake of "A Letter to Three Wives" let Lindsay Anderson know that Sothorn was still alive. The director of "The Whales of August," Anderson retained "a memory of her charm" from musicals like "When the Clouds Roll By" and "Lady Be Good." "In a sense she was too good an actress to be a star," says Anderson. "Being a star requires elephants of the ego. Ann scales her performances to what is demanded. A star delivers more than is required."

Mankiewicz is another admirer. "Ann was a damned good Broadway musical comedy actress," he says. "She had the sexiest mouth any woman ever had. But, at Metro, poor Annie got stuck in the Sam Katz unit. She never got the big break Gene Kelly and others did, of being with the Arthur Freed steamroller of talent."

Those days are so far behind her that she can only shake her head in disbelief. "It was like being in a little cocoon. You didn't even have to walk to the set. There was always a limousine."

Here and now, the aspens tremble in the thin rain that drips steadily from the brown-striped awning. The two California cats creep under the awning to snuggle against her. The rougher Idaho cats give her a kiss and disappear into the wet pines. For a moment, surrounded by her animals in the mist, she looks like Jane Darwell playing the bird lady in "Mary Poppins."

"A lot of times I think I like animals better than people," she says, crooning to Simon — "my old boy" — her 18-year-old ginger cat. Her last dog died four

years ago. This year has been heavy with death. A month ago, she returned to Beverly Hills to give an eulogy for the 23-year-old husband of her granddaughter who was killed racing friends home on his motorcycle. Now Sothorn is a haven for her granddaughter and the girl's biscuit-colored Labrador.

Four deaths and emergency surgery last May — "They peeled me open like a pineapple because my small intestine had turned like a garden hose" — have left her melancholy. "I was so dumb," she says, in that husky, well-remembered voice. "I never thought you stopped making money or grew old."

"The Whales of August" was filmed on an island off the coast of Maine a year ago. She has just seen the movie for the first time — and shows the film to the friends and neighbors who surround her on the Sun Valley terrace. Her immediate response was horror at how fat she looked. The weight that made her recoil from her image on the screen is an ugly gift from the accident. She can

walk but not without a cane, and her feet are numb. Mike Kaplan, the producer of "The Whales of August," hesitated before offering her the part. "But her mobility was irrelevant because of her wonderful spirit," he says.

An astrologer once told Sothorn that her greatest success would come in her later years. She says she knew she was fated to act in "The Whales of August" when she opened the script and saw that the woman she was to play was named Tisha, which is the name of her daughter and only child.

When people talk encouragingly of a possible Academy Award nomination, she only shakes her head. "I think Hollywood has been terrible to me. If it goes the way it's always gone, they won't even know I was in the picture. Hollywood doesn't respond to a strong woman, not at all. I was too independent. How dare a woman be competitive or produce her own shows? My work was paramount. My training was so on time and know my business. There's never been anything scandalous about me, and to come out clean is pretty damn good. I've never met Barbra Streisand. I don't know if she's even likable. But I admire her. Hollywood has been unkind to her, too."

Years ago, as 16-year-old Harriette Lake, Ann Sothorn was the outstanding high school composer in Minnesota. Music is still a solace. She plays the theme she wrote for "The Ann Sothorn Show." "It's kind of haunting and sad, which I am," she says.

It is as close as she comes to wearing her soul upon her sleeve. "She has a reason for bitterness," says her daughter, Tisha Sterling. "Even to me she doesn't show how she feels about the important things in her life. She shows her real heart on stage when nobody can touch her."

What Sothorn longs for most is what is most impossible — "the wonderful isolation up there on the stage." In a mountain cabin beyond a dusty road lined with bear grass and goatbears, she plays and wins a game of Trivial Pursuit. There is a sudden rain and a double rainbow. Solemnly, everyone makes a wish. "I want my legs back," she whispers.

PEOPLE

John Wayne's Widow Calls Him 'Superhuman'

Pilar Wayne, the widow of John Wayne, has written a book about the actor's life and career. She says she has never been anything scandalous about him, and to come out clean is pretty damn good. She says she never met Barbra Streisand. She says she never knew if she was even likable. She says she never met Gene Kelly and others did, of being with the Arthur Freed steamroller of talent.

The Chinese-American cellist Yo Ma was awarded an honorary professorship at the Shanghai Conservatory of Music on Sunday. The Xinhua news agency reported. On Saturday, more than 1,400 people attended a concert by Ma despite the \$2.70 ticket price, the highest ever for a stage performance in Shanghai. Xinhua said Ma, 37, was born in Paris and began studying music at the age of 4 before moving to the United States.

Bob Woodward has sold film rights to "The Secret Wars of the CIA 1981-1987," his book on the CIA's director William Casey, to the MGM/UA studio for an undisclosed fee, studio officials said.

Hans Jonas, the American writer, teacher and philosopher, was awarded the West German book trade association's annual prize at the Frankfurt international book fair on Sunday. Jonas, 64, who was born in Germany but fled for the United States in 1955, has written works on philosophy and religion, and has taught at American and Israeli universities. He was awarded the Alexander Onassis Foundation gold medal for his contribution to establishing democracy in his country, the foundation announced in Athens on Monday.

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